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C2180-1 9/14/82

Advertising Age

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$50 a year; this issue $3 *The International Newspaper of Marketing* *September 9, 1982*

100 Leading National Advertisers

Presenting the nation's top advertisers of 1981—their ad expenditures, media mix, sales, profits, agency rosters and key marketing personnel.

AA
DC20014CONGL1 FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

NEWSPAPER

Advertising Age®

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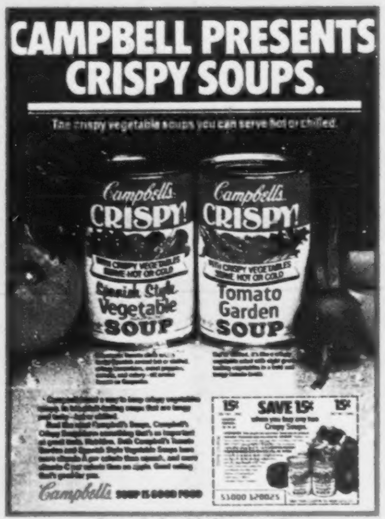
$50 a year; this issue $3 *The International Newspaper of Marketing* *September 9, 1982*

100 Leaders spend 14% more in 1981

Visibility is key, $14.8 billion in ad spending shows


CAMPBELL PRESENTS CRISPY SOUPS.
The crispy vegetable soups you can serve hot or chilled.
Campbell's CRISPY! Spanish Style Vegetable SOUP
Campbell's CRISPY! Tomato Garden SOUP
SAVE 15¢
Campbell's SOUP IS GOOD FOOD

Campbell Soup Co.

By Marion Elmquist

In an economy where corporate bottom lines are hard-hit the decision makers among ADVERTISING AGE'S 100 Leading National Advertisers chose to keep their identities and products visible by raising advertising expenditures 14%, to an estimated $14.8 billion in 1981. In 1980, the 100 Leaders spent an estimated $13 billion in national advertising.

Procter & Gamble, the perennial No. 1 advertiser, held on to its title although Sears, Roebuck & Co. made its annual challenge to the advertising king.

Procter & Gamble first wrested the No. 1 position in ADVERTISING AGE'S 1964 Leaders report, when its spending for 1963 toppled General Motors Corp. from the top spot. The automobile marketer had held the top spot since AA began ranking Leading National Advertisers in 1956.

P&G spent an estimated $671.8 million in advertising and promotion in 1981, a modest 3.4% increase over the $649.6 million spent in 1980.

Sears boosted its spending to $544.1 million, 16% more than it spent in 1980. (Local newspaper advertising is not included in AA's estimate for that retail giant or the other major retailers on the 100 list; however, nationally generated preprint newspaper inserts are. Sears' ad spending figure for 1980, as a result, has been adjusted accordingly from last year's report.)

Merger mania has afflicted the 100 Leaders, with no fewer than 10 of the companies making major acquisitions. The combined advertising spending resulting from the marriage of R.J. Reynolds Industries and Heublein Inc. will undoubtedly propel RJR to the No. 3 position, this year held by General Foods. It is estimated that the combined ad spending of the two companies will exceed $500 million in 1983.

Other companies whose advertising spending are skyrocketing as a result of mergers or acquisitions are General Foods, which bought Oscar Mayer & Co.; Jeffrey Martin Inc. (new to the Leaders in last year's report), which has bought a number of Purex brands; Coca-Cola Co., which acquired Columbia Pictures and P&G, which picked off MortonNorwich Products' Norwich-Eaton Pharmaceuticals. Other acquisitions are: Clorox Co., Olympic stains; Sears, Dean Witter Reynolds and Coldwell Banker; Esmark Inc., Jhirmack; Beatrice Foods Co., Buckingham Corp. and a number of Coca-Cola bottlers; Chesebrough-Pond's, Prince Mfg., and Campbell Soup, Mrs. Paul's Seafoods.

On the other hand, Stroh Brewery Co.'s purchase of Jos. Schlitz Brewing Co. may

(Continued on Page 190)

100 Leading National Advertisers

(Total ad dollars in millions: 1981)

Rank	Company	Advertising
1	Procter & Gamble	$671.8
2	Sears, Roebuck & Co.	544.1
3	General Foods Corp.	456.8
4	Philip Morris Inc.	433.0
5	General Motors Corp.	401.0
6	K mart Corp.	349.6
7	Nabisco Brands	341.0
8	R.J. Reynolds Industries	321.3
9	American Telephone & Telegraph Co.	297.0
10	Mobil Corp.	293.1
11	Ford Motor Co.	286.7
12	Warner-Lambert Co.	270.4
13	Colgate-Palmolive Co.	260.0
14	PepsiCo Inc.	260.0
15	McDonald's Corp.	230.2
16	American Home Products Corp.	209.0
17	RCA Corp.	208.8
18	J.C. Penney Co.	208.6
19	General Mills Corp.	207.3
20	Bristol-Myers Co.	200.0
21	B.A.T. Industries PLC	199.3
22	Coca-Cola Co.	197.9
23	Johnson & Johnson	195.0
24	Chrysler Corp.	193.0
25	Ralston Purina Co.	193.0
26	U.S. Government	189.0
27	Unilever U.S.	188.9
28	Anheuser-Busch Cos.	187.2
29	Heublein Inc.	187.0
30	Dart & Kraft	177.0
31	Esmark Inc.	175.0
32	Gillette Co.	171.9
33	Beatrice Foods Co.	170.0
34	Consolidated Foods Corp.	166.4
35	General Electric Co.	164.7
36	H.J. Heinz Co.	160.2
37	Warner Communications	159.0
38	International Telephone & Telegraph Co.	153.0
39	Norton Simon Inc.	149.9
40	Richardson-Vicks	149.0
41	Seagram Co. Ltd.	145.0
42	Loews Corp.	141.4
43	Time Inc.	141.1
44	American Cyanamid Co.	138.0
45	Chesebrough-Pond's	136.2
46	CBS Inc.	134.0
47	Pillsbury Co.	131.0
48	Schering-Plough Corp.	119.8
49	Mattel Inc.	110.6
50	Revlon Inc.	106.6
51	Toyota Motor Sales	106.2
52	Gulf & Western Industries	106.1
53	E.I. du Pont de Nemours & Co.	105.0
54	Kellogg Co.	102.1
55	Eastman Kodak Co.	101.0
56	Quaker Oats Co.	95.6
57	Trans World Corp.	95.2
58	Union Carbide Corp.	90.0
59	Sterling Drug Co.	89.7
60	SmithKline Corp.	89.3
61	Nestle Enterprises	88.0
62	Nissan Motor Corp., U.S.A.	87.9
63	CPC International	87.0
64	Xerox Corp.	84.2
65	North American Philips Corp.	83.9
66	American Brands	82.2
67	Volkswagen of America	81.0
68	Clorox Co.	80.8
69	Mars Inc.	78.4
70	Brown-Forman Distillers Co.	78.0
71	American Express Co.	76.0
72	Greyhound Corp.	75.6
73	Miles Laboratories	72.1
74	Campbell Soup Co.	70.8
75	UAL Inc.	70.6
76	American Motors Corp.	70.0
77	Beecham Group Ltd.	69.1
78	American Honda Motor Co.	68.3
79	S.C. Johnson & Son	66.6
80	MCA Inc.	63.6
81	Wm. Wrigley Jr. Co.	63.5
82	Kimberly-Clark Corp.	62.4
83	Pfizer Inc.	59.0
84	Exxon Corp.	58.1
85	Jos. Schlitz Brewing Co.	56.8
86	Hershey Foods Corp.	56.5
87	Eastern Air Lines	54.1
88	Polaroid Corp.	51.8
89	American Airlines	51.5
90	Columbia Pictures Industries	47.5
91	Delta Air Lines	44.5
92	Borden Inc.	44.0
93	Liggett Group	43.5
94	MortonNorwich Products	42.5
95	Hiram Walker Resources Ltd.	42.3
96	Noxell Corp.	41.1
97	Jeffrey Martin Inc.	41.0
98	International Business Machines Corp.	40.7
99	American Broadcasting Cos.	40.0
100	Canon U.S.A.	36.5

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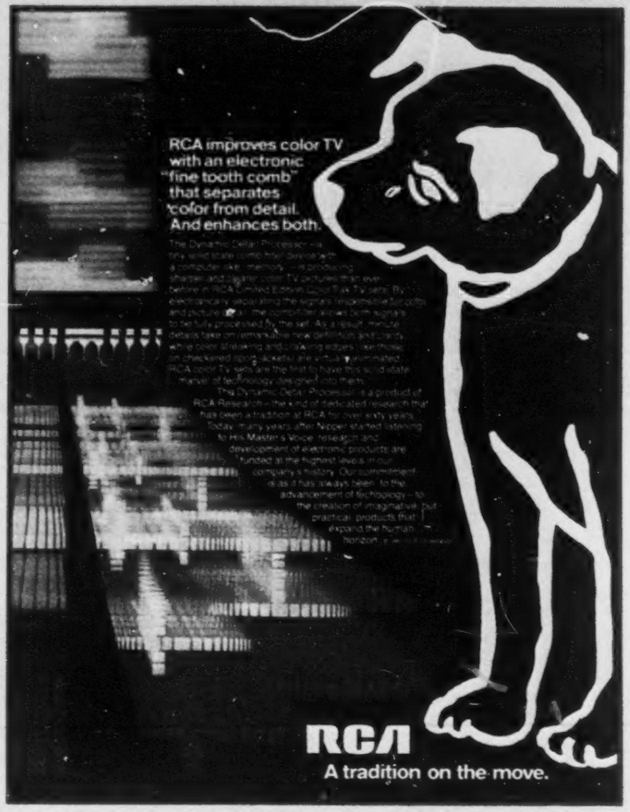
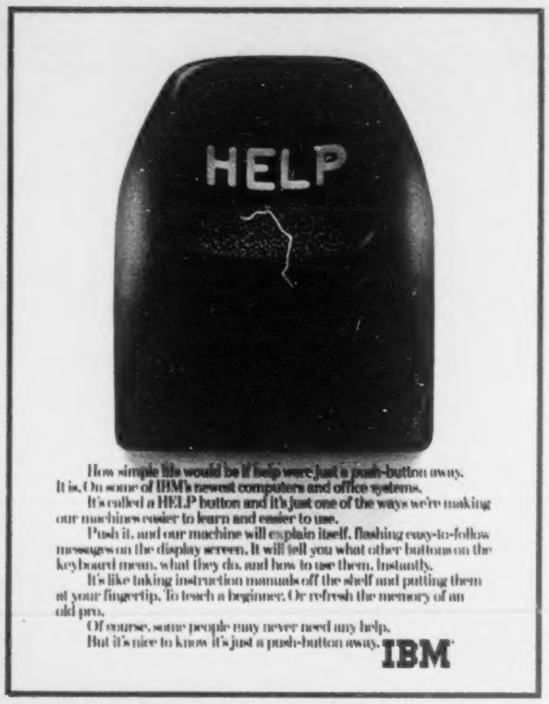
Leaders' ad portfolio


RCA improves color TV with an electronic "fine tooth comb" that separates color from detail. And enhances both.
RCA
A tradition on the move.

RCA Corp.



How simple life would be if help were just a push-button away.

It is. On some of IBM's newest computers and office systems.

It's called a HELP button and it's just one of the ways we're making our machines easier to learn and easier to use.

Push it, and our machine will explain itself, flashing easy-to-follow messages on the display screen. It will tell you what other buttons on the keyboard mean, what they do, and how to use them. Instantly.

It's like taking instruction manuals off the shelf and putting them at your fingertip. To teach a beginner. Or refresh the memory of an old pro.

Of course, some people may never need any help.

But it's nice to know it's just a push-button away.

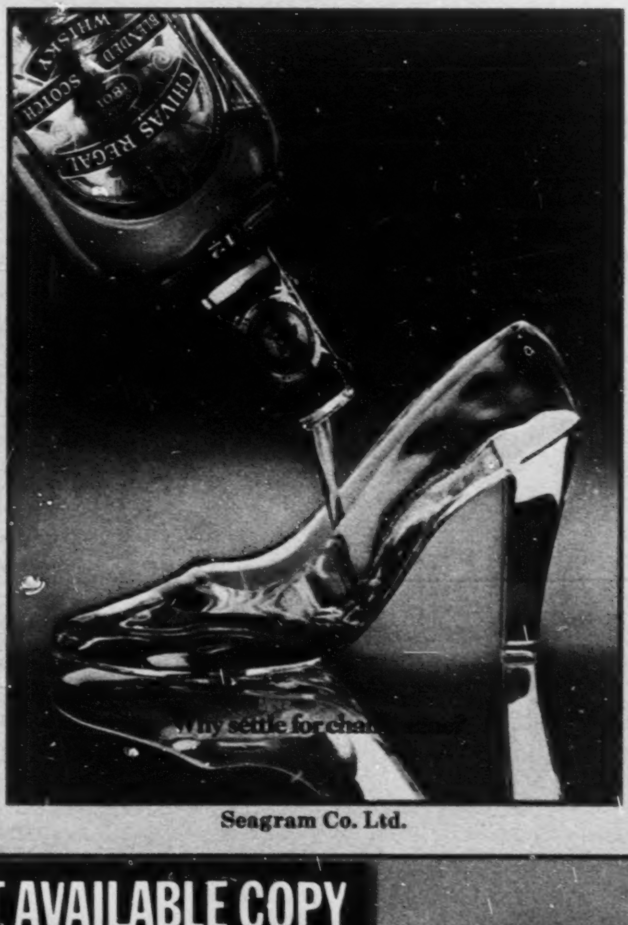
International Business Machines Corp.

KODAK PRESENTS INSTANT MAGIC AT A MAGIC PRICE
KODAMATIC CHAMP
INSTANT CAMERA
CAPTURE ALL THE MAGIC IN AN INSTANT

Eastman Kodak Co.

MEN JUST CAN'T HELP ACTING ON
IMPULSE

Unilever U.S.



Seagram Co. Ltd.

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American Airlines

	1981	1980
Sales	$4,108,699,000	$3,820,978,000
Earnings	47,440,000	(75,792,000)*
Advertising**	51,496,900	46,315,720

*(Loss)
**AA estimate

Advertising expenditures for American Airlines, Dallas/Fort Worth Airport, the nation's 89th largest advertiser, increased to $51.5 million in 1981, up from the previous year's $46.3 million. The 11.2% increase is partially due to the growing intensity of the major domestic air carriers' battle for passengers and sorely needed revenue.

The airlines' total measured advertising in 1981 was $45 million, compared with $42.1 million 1980.

American recorded its first $4 billion revenue year in 1981 and had net income of $47.4 million. While the airline was able to make a profit in 1981, compared to a $75.8 million net loss in 1980, American suffered a first quarter 1982 loss of $41.6 million. The first quarter 1982 loss followed a fourth quarter 1981 loss of $20.3 million.

American's executives attribute the first-quarter loss to the discount fare war the airline waged with crosstown rival, the now-bankrupt Braniff Airways. When Braniff officials announced in November that they were cutting their systemwide fares by at least 45%, American wasted little time in matching the move made by its main competitor at the Dallas/Fort Worth Regional Airport.

While American's strategy to almost duplicate ailing Braniff's route structure paid off in increased passenger traffic, the adamant stance taken on matching Braniff's fares dealt a severe blow to American's bottom line. In its last days, Braniff was struggling to trim down to what its management referred to as "flighting weight" and find its niche in the marketplace as a medium-size trunk carrier; American was aggressively expanding its operations. American employed more than three times the number of employes than Braniff had on its payroll before its May 13 bankruptcy filing, and offered service to almost twice as many cities. Consequently, American executives estimated the airline was losing $12 million a month at the peak of the battle.

In an effort to cut losses, American's employes were asked to accept a pay reduction effective for the first quarter of the year. While the airline's nonunion employes voted in favor of the proposal, American's union leaders refused to submit the plan to a membership vote. The airline's executives withdrew the proposal. In order to finance new aircraft and maintain its

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Advertising's hot one hundred

27th annual study

Presented here is Advertising Age's 27th annual collection of facts and figures about the marketing operations of the nation's advertising giants—what they spend on advertising, how they're doing in sales and profits, how their leading product lines and brands rank nationally, what share of the market they hold—and many other vital details. The profiles include listings of each company's marketing executives, the agency lineup and a rundown of account personnel serving the various product lines. Much of the material has never been published before, including estimates of total advertising and promotion expenditures for the 100 advertisers covered, and sales figures for privately owned companies.

competitive posture in the industry, American officials say they must achieve an operating margin of 5%. The airline's profit margin was 0.3% in 1980 and climbed to 4.3% in 1981. Because of losses suffered in late 1981 and early this year. American officials fell short of the desired margin once again this year.

As a result, in February, the airline discontinued plans to purchase 15 Boeing 757 airplanes valued at $600 million and defer the delivery of Boeing 767 jets scheduled to arrive beginning in September.

American chairman Albert V. Casey attributed the move to the eroding effect caused by the excessive discount fares and the inability to obtain labor productivity improvements.

While Braniff's bankruptcy is a positive factor for American, the airline was not left alone to fill the void. American's top rival nationwide, United Airlines, landed its first flight at the Dallas/Fort Worth Airport only two days after Braniff was grounded. Chicago-based Midway Airlines moved in, followed by Northwest Airlines. Airlines already serving the Dallas Fort/Worth Airport, including Delta, Pan Am and TWA, raced for a piece of the action by increasing their service, and in several cases, discount fares, not as severe as Braniff's, remained popular in the market.

In June, American announced it would leave its advertising agency of 20 years, Doyle Dane Bernbach, and hire smaller, Bozell & Jacobs, which has a Dallas office. The major factor contributing to the switching of the $45 million a year account was the heavy strain that developed on the working relationship with Doyle Dane after American moved its corporate headquarters from New York to the Dallas area in 1979. American officials asked Doyle Dane to set up shop in Dallas, but the agency declined, citing the difficulty in providing the same quality out of Dallas as it could offer out of New York.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$20,068,100	17,477,600
Magazines	4,342,600	4,080,600
Spot tv	10,417,700	10,948,700
Network tv	2,966,600	1,056,300
Spot radio	6,763,600	7,977,400
Outdoor	418,300	564,600
Total measured	44,996,900	42,105,200
Unmeasured	8,500,000	4,210,520
Estimated total	51,496,900	46,315,720

AMERICAN AIRLINES
MARKETING PERSONNEL

Robert L. Crandall, president
Thomas G. Plakett, senior vp-mktg
William P. Shannon, vp-field sales/service
Robert W. Baker, vp-passenger sales and adv
Robert H, Phillips, vp-passenger services
Wesley G. Kaldahl, vp-mktg-resources
George A. Shipman, vp-freight mktg
Carney H. Wenrich, senior director-freight sales/adv
Willard J. Dreslin, director-freight sales plans/adv
Ann S. Boylan, senior director-adv
Bruce S. Goodyear, mgr-adv
Judith A. Kirvan, mgr-adv
William Quackenbush, mgr-adv
Frank J. DiNuzzo III, director-sales promo
Ronald C. Scott, mgr-sales promo
Vincent L. Rohloff, sales promo
Sandra L. Styer, mgr-creative services
Robert W. Mann, mgr-frequent traveler programs

ADVERTISING AGENCY

Bozell & Jacobs/Southwest, Dallas—passenger & freight—Paul H. Gold, senior vp, acct service director; Tom Stumpf, Tom Hooke, Peter Mitchell, acct supers; Mark Soloman, Mitch Roberts, Catherine Ice, Larry Hinson, Barbara Truhlsen, acct execs.

American Brands

	1981	1980
Sales	$6,538,161,000	$6,801,456,000
Earnings*	386,127,000	377,893,000
Advertising**	82,218,900	85,598,900

*Revised
**AA estimate

American Brands, New York, the 66th largest national advertiser, spent an estimated $82.2 million on advertising in 1981, a 3.9% decrease from the previous year.

The company's net sales record of 1980 went up in smoke as sales dropped from $6.8 billion to $6.5 billion. This 4.4% decrease is mainly caused by lower foreign currency exchange rates experienced by the company's United Kingdom subsidiary, Gallaher Limited.

Net income reached $386.1 million in 1981, a record level. Operating income was $783.5 million, up $22.5 million from 1980. Operating income for American Brands has swelled 35% since the tobacco producing company began diversifying in 1965. International tobacco as well as nontobacco lines presently account for 60% or more of the company's total operating income.

American Brands reported sales of $3.21 billion for the first six months of 1982, a 0.3% drop from the same period in 1981. Net income for the first half was $184 million, down 6% from $196 million for the same period in 1981.

But American Brands' operating earnings jumped 18% from first half 1981's $284.9 million to $336 million.

Domestic tobacco operating income rose to $302.2 million in 1981, up 3% from the previous year. This increase is partially due to the closing of American Brands' 50-year-old plant in Richmond, Va. Production was transferred to its Reidsville, N.C., facility, where high-speed equipment was installed.

Cigaret output fell from 66.63 billion units for the domestic market in 1980 to 61.64 billion in 1981. The company's share of the domestic market also fell, from 10.8% in 1980 to 9.7%

Of American Brands' five major cigaret products only Pall Mall is among the top 10 sellers. Pall Mall's sales, however, dropped from 31.69 billion units in 1980 to 25.59 billion in 1981. As a result, the brand moved down from the fifth-largest seller to ninth in 1981. Pall Mall's market share dropped to 4.7% from 1980's 5.1%, despite measured spending of $7.4 million. The bulk of that ad spending was concentrated on Pall Mall Light 100s, according to Leading National Advertisers. Despite spending of $7.4 million on the product, sales slipped from 1.16 billion units in 1980 to 0.63 billion in 1981.

Total sales of Carlton filter cigarets were down 13.1% in 1981, reducing its market share from 2.6% to 2.2%. However, Carlton is still the No. 1 ultra-low-tar cigaret, with 24% of that category. Carlton box, with less than 0.01mg. of tar, suffered a sales decline from 0.35 billion units in 1980 to 0.07 billion in 1981. American Brands has expanded the Carlton line to eight styles with the addition of Carlton 120s regular and menthol.

Tareyton consumers may well have decided to switch rather than fight, as sales dropped from 10.77 billion units in 1980 to 9.13 billion in 1981—a 15.2% decrease. Tareyton's market share dropped to 1.4% in 1981. The company is focusing the bulk of ad spending on Tareyton Lights filter cigarets, spending $7.7 million on combined magazine and outdoor pitches.

Lucky Strike, together with Pall Mall, continues to dominate the nonfilter market with a combined 58% share. Lucky filters, however, have dropped in sales from 0.14 billion units to 0.11 billion in 1981, making its total market share negligible. Rollout of Lucky Strike low tar filters began in the fourth quarter of 1981, backed by print and outdoor ads using the theme, "Lucky Strikes Again. The moment is right for it." Ad spending in that quarter was $94,800.

American Brands holds fifth place in the low-tar segment behind R.J. Reynolds, Philip Morris, Lorillard and Brown & Williamson. The company holds a 4.2% market share, down 4.9% in 1980. Low-tar sales fell one billion units to 10.78 in 1981, and ultralow from 17.31 billion in 1980 to 14.81 billion.

The company's cigaret output for the export market remained stable at 1.30 billion units in 1981. Gallaher Ltd., American Brands' U.K. subsidiary, reported a sales increase of 5%, and a record operating income. However, due to lower exchange rates for the depressed British

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International Telephone & Telegraph Corp. 110
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pound, operating income in dollars lowered 11% to $167.8 million, and sales dragged down to $3.89 billion, a 9% decrease from the previous year.

A 30% excise tax increase failed to deter Gallaher's Home Trade cigaret business, which gained one million in pounds. The company held 29% of the U.K. cigaret market, and its product, Benson & Hedges Special Filter, remained the top-selling brand, and Silk Cut as the leading low-tar brand. Filter cigarets hold 93.5% of unit sales in the UK, and Gallaher's filter cigarets hold 90% of the total unit sales. In 1981, Gallaher introduced Sobranie Virginia Blend, a premium price cigaret; Silk Cut Extra Mild, a low-tar cigaret; and Berkeley Extra Mild King Size.

Berkeley may be threatened by the pending introduction of British American Tobacco's product Barclay, in limited distribution in the United Kingdom as of December, 1981. Since the British pronunciation of "Barclay" is perilously close to Berkeley, American Brands will fight the distribution should it go full scale. Said an American Brands spokesman, "We wouldn't want to see them confused."

The tobacco industry may be hard hit in the U.K. in the coming years. Tobacco companies have agreed with U.K. health ministers to follow new guidelines that may restrict the cigaret trade severely. Advertisements for products with 20 mg. of tar will be discontinued, and poster ad spending is to be significantly decreased. Ad spending for products with 17 mg. of tar or less, including Benson & Hedges and Silk Cut, is to be emphasized. The U.K. will also require warning labels on cigaret packs and advertisements.

American Brands, as well as four other major U.S. tobacco producers last year were fined $100,000 by the Federal Trade Commission in connection with health warnings on billboard advertisements. The commission had charged that health warnings were in undersize type of two inches instead of five. The companies also agreed to string the warning out along the bottom of the ads, rather than picture it on the cigaret box.

American Cigar, the fourth-largest cigar company, experienced a 1.2% decrease in the market share of little cigars in 1981. Antonio y Cleopatra, which accounts for 63% of the division's cigar sales, dropped from 2.5% of the little cigar market in 1979 to 2.1% in 1980.

In the large cigar market, American Cigar commanded a 7.5% share in 1980, as compared with 7.3% in 1981. Total unit sales dropped to 288 million units from 295 million in 1980. Antonio y Cleopatra's sales rose from 180 million units in 1979 to 181 million the following year. Roi-Tan and La Corona's sales decreased slightly, yet American Cigar's market share for large cigars rose 0.2%. Operating income for the division rose 11% to $3.7 million and sales reached $39.7 million.

In 1981, Russell P. Truitt was appointed vp-tobacco. Mr. Truitt continues as executive vp of the American Tobacco division as well as director on American Brands' board.

In March, 1982, the company sold its Duffy-Mott subsidiary, a fruit juice producer holding 11% of the apple juice market, to Cadbury Schweppes for $60 million in cash and a note. Duffy-Mott's operating income for 1981 was a record $8 million on sales of $110.2 million.

Sales climbed 8% in 1981, mostly due to the popularity of Mott's apple juice. Ad spending was pared down to $70,200 in 1981. American Brands called the sale of the subsidiary, acquired by AB in 1968, for $34 million, a "redeployment of assets" in a nongrowth area. Cadbury Schweppes, a British confectionery and soft drinks concern, picked the apple juice market to augment its already successful line of lime juice.

The company did see a growth area in Ofrex Group Ltd., which Gallaher Ltd. acquired in 1981 for $70.2 million. An office products marketer in the U.K., Ofrex will give the company more access to overseas markets.

The company's overseas market is already assured with Jim Beam, which, distributed in 150 foreign markets, is the world's largest-selling bourbon. Beam is also the top-selling domestic bourbon and the fifth-largest liquor brand in the industry.

Countering an industry slump, case sales of Jim Beam shot up 5% from 1980. With measured spending of $2.7 million, case sales rose from 3.5 million to 3.7 million.

Beam's 8-Star blended whisky, introduced in 1981, is enjoying success. Other non-bourbon product sales escalated 39% to $38.2 million. The company also is responding to the liqueur market rise with a new entry, Kamora, a coffee liqueur.

The distiller began a new marketing drive by sponsoring the Jim Beam Spiral Stakes, a thoroughbred racing event. The race, held in March of 1982 at Latonia Race Course in Kentucky, offered a purse of $150,000. The company also ran sweepstakes ads in *Playboy* for a trip to England to the Royal Scot race, and a trip to the Kentucky Derby. Riding high on spirited sales of $241.8 million, James B. Beam Distilling Co. had operating income of $32.5 million, up 16% from 1980.

Andrew Jergens Co.'s sales rose 22% to $119.6 million in 1981. The introduction of new products—Jergens lotion-enriched soap and Jergens aloe and lanolin skin conditioning lotion—accounted for record ad expenditures and couponing. American Brands also invested $2.3 million on media advertising for Gentle Touch soap, $2.7 million for Jergens soap, and $2.1 million on Jergens lotion.

New products introduced over

Where Ad Age got its data

Advertising figures listed for each of the 100 leaders include "measured media" expenditures published by various statistical bureaus and associations. These include Leading National Advertisers Inc., the Publishers Information Bureau, Radio Expenditures Reports, Agricultural Marketing Information Service (Agricom), LNA-Broadcast Advertisers Reports, Media Records, Institute of Outdoor Advertising and the Outdoor Advertising Assn. of America.

In the eight media so measured, the 100 leaders dominate, accounting for just over half ($9.5 billion) of all the advertising dollars invested there (*see charts on Pages 130 and 131*).

In addition to the measured media figures, "unmeasured media" spending is added to get a grand total for each of the 100 companies.

These unmeasured expenditures include point-of-purchase, direct mail, premiums and other forms of national advertising and sales promotion. All estimated expenditures are calculated by ADVERTISING AGE.

Measured media figures generally include gross space and time costs only, while production and talent costs are included in unmeasured expenditures. Exceptions are the network tv figures, which include net time and talent.

ADVERTISING AGE would like to make it clear that the selection of the "100 leading national advertisers" was based on measured media expenditures only. Final ranking, however, is based on the combined total of measured and unmeasured spending.

If other criteria were used, other advertisers not now on the list would need to be included. Among such advertisers would be those who spend many millions annually in local advertising, which is not measured, and who spend relatively little in national advertising. Such companies include many of the large retailers.

Because there are not yet reliable measurements of money spent in national cable television advertising, cable advertising is not included in our ad expenditures totals.

Several profiles, however, contain references to what these companies' are doing to enter the cable advertising arena. We hope next year to include cable tv advertising as a category in our measured media calculations.

Advertising Age®

The International Newspaper of Marketing

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Detroit—*Reporters:* RALPH GRAY *(bureau chief)*, JAY McCORMICK.
Dallas—*Reporters:* TOM BAYER *(bureau chief)*, MARIANNE MALONEY.
London—EUGENE BACOT, European editor, 25 Bedford Square, London WC1B 3HG (01-637-7961).
Paris—CAROLYN PFAFF, special correspondent, 60 rue de Varenne, 75007 Paris (548 41 58).

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New York cable address: CRAINCOM NYK: Telex 64-0207

BRYAN TODD, European advertising director, 25 Bedford Square, London WC1B 3HG (01-637-7961).
U.K./Holland—David Todd, David Todd Assoc. Ltd., 117 Camberwell Rd., London, England (SE5 OHB703 6207). Telex 893202 DTAL G. France/Belgium/French-speaking Switzerland—Gerard Lasfargues, 32 rue Desbordes Valmore, 75016 Paris, France (504-9794). Japan—International Media Representatives, 2-29, Toranomon I-Chome, Minato-ku, Tokyo (502-0656). Germany/Austria, German-speaking Switzerland—Karl Heinz Reinl, MSI Media Sales, Rainstrasse 4, 7250 Leonberg 7, West Germany (07152/47263), Telex 724 154 MSILD. Italy—Luigi Rancati, Rancati Advertising, Milano San Felice Torre 5,20090 Segrate, Italy (02-7531445). Telex 311010 ORCHID I. Asia—Martin Clinch, Martin Clinch & Assoc. Ltd., 15/F 53 Lockhart Rd., Hong Kong (5-273525). Telex 76 041 MCAL HX.

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Chicago cable address: CRAINCOM Telex number: 25-4248. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48013. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, O. 44691.
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ABP
RED TAG
ABC

Other staff

This special issue was edited and produced by the members of the Advertising Age Magazine staff.

Company profiles were written by ADVERTISING AGE reporters listed on the masthead at the left, Magazine staff members, and various free lance writers.

Members of the Magazine staff are:

- **Marion Elmquist,** editor.
- **Mark Watanabe,** managing editor;
- **Geoffrey Shives,** art director.
- **Cecelia Reed,** associate editor.
- **Nancy Scrivner Tiffen,** associate editor.
- **Reven Uihlein,** associate editor.
- **Kristin Blom,** assistant editor.
- **Karen Brodsky,** copy chief.
- **Pat Thomas,** production editor.
- **Sarah Stiansen,** a summer intern, worked on over-all coordination of this issue.

the last five years accounted for 35% of domestic net sales. Operating income for 1981 was up 14% to a record $9.5 million; the international division's sales rose to $7.6 million, up 11%.

Sunshine Biscuits is "tasting the difference" in a sales rise of 9% to $405.7 million. Operating income soared, reaching $26.4 million, up 25% from 1980's level.

The biscuit division, with a new advertising theme emphasizing the use of 100% vegetable shortening, experienced the largest gains.

New products introduced in 1981 included Snack n' Sesame, Swisstyle Grahams, Cafe Crackers, Snack n' Onion, Chocolate Sugar Wafers and Chipples, a potato chip snack.

Sunshine's ad expenditures were estimated to be in excess of $2 million. According to Leading National Advertisers, spending in six measured media reached $700,000. In 1981, Sunshine eliminated spot tv from its media list.

Franklin Life Insurance Co., acquired by American Brands in 1979, posted revenues of $502.3 million in 1981, a 6% increase. Operating income was up 14% to $134.2 million.

For Master Lock Co., the world's largest padlock manufacturer, sales picked up 9% to $86.9 million. Operating income, at $29.6 million, was up 10% over 1980.

Advertising for home Master Locks was $611,900, in magazines and network tv.

Swingline Inc.'s sales and operating income rebounded in 1981 to $97 million and $12 million, respectively. The Swingline division, which accounted for 68% of dollar volume, began an aggressive product development program in 1981.

Acushnet Co.'s sales hit a record $131.8 million in 1981. Operating income was $18.6 million, up 16%.

New entries, the Power-Step golf club shaft and Mallet I Bulls Eye putter, contributed to a 19% sales increase for the Titleist Golf Division.

MCM Products, a spin-off from Swingline, had sales of $78.4 million in 1981, and operating income of $6.3 million. W.R. Case & Sons Cutlery Co.'s sales were sliced to $27.1 million, a 9% decline from 1980, despite ad spending of $58,300 on Case Hunting Knives. Marson Corp. Marvel Lighting and Swingline of Canada's sales also gained in 1981.

Acme Visible Records' sales dropped 6% to $60.5 million in 1981. Domestic sales decreased 2% to $38.96 million, and operating income plunged 51%. The subsidiary is introducing a new line of terminal stands, modular cabinets and transport carts to step up sales.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$15,243,100	$16,816,500
Magazines	34,947,000	34,238,300
Spot tv	899,500	1,483,800
Network tv	6,031,700	5,950,400
Spot radio	318,200	28,900
Network radio	193,600	291,700
Outdoor	10,086,000	10,787,700
Total measured	67,718,900	69,598,900
Unmeasured	14,500,000	16,000,000
Estimated total	82,218,900	85,598,900

AMERICAN TOBACCO CO.

MARKETING PERSONNEL

T.C. Hays, exec vp
W.J. Moore, adv director
N.H. Chester, media director
W.C. Stevenson, mktg controller
M.J. O'Neill, mktg services director
E.T. Bonnett, senior research analyst
H.W. Bahrenburg, product mgr, Carlton
E.J. Gessil, product mgr, Lucky Strike, Tareyton
J.A. McGinn, product mgr, Pall Mall
J.J. Mellett, media super
W. Degenhardt, media specialist

SALES PERSONNEL

C.H. Mullen, vp, sales
T.F. McGuire, mgr, sales operations
A.S. Roses, sales promos and merchandising director

ADVERTISING AGENCIES

SSC&B, New York—Pall Mall, American lights filter and menthol, Tall filter and menthol, all smoking tobacco—William V. Weithas, chairman-ceo; Douglass Bomeisler, senior vp-mgmt super; Hugh Craigen, acct super; Dan Bellucci, acct exec.

Laurance, Charles & Free, New York—Carlton, Lucky Strike, Tareyton, Silva Thins filter and menthol—Charles Goldschmidt, ceo; Laurence Dunst, president; F. William Free, vice-chairman; George Forney, vp-mgmt super; Albert Magnane, vp-mgmt super; Malcolm Minor, vp-mgmt super; Thomas Keane, acct exec; Paula Stack, acct exec; Deborah Hernan, acct exec.

SUNSHINE BISCUITS

New York

MARKETING PERSONNEL

Jay R. Neidenberg, vp-brand mgmt
Edward W. Smith, group product mgr
Joel Sherman, group mktg mgr
Robert Lorys, cracker product mgr
Hedy Britton, cookies product mgr
Alfred E. Byra, adv mgr
Alan Hiller, new products mgr

ADVERTISING AGENCY

Marsteller Inc., New York—Bert Rosenberg, senior vp, director/acct mgr, mktg; Alan Campbell, vp-mgmt super; David Brown, acct super; Thomas Neely, acct exec.

ACME VISIBLE RECORDS

Crozet, Va.

MARKETING PERSONNEL

W.D. Oliver, director of sales and mktg

ADVERTISING AGENCY

Al Paul Lefton Co., New York—G. William Wolfston, vp.

WILSON JONES CO.

Chicago

MARKETING PERSONNEL

J. Yates, vp sales and mktg
R. Smock, director mktg services
M. Rosenfeldt, adv mgr

ADVERTISING AGENCY

Al Paul Lefton Co., New York—G. William Wolston, vp.

ACUSHNET CO.

New Bedford, Mass.

MARKETING PERSONNEL

Golf Division

R.B. Forbush, director mktg
B.V. Pinsky, business mgr, golf balls
M.M. Foegen, business mgr, clubs, putters and accessories
W.R. Uihlein, director sales/distribution
N.W. H. North, intl mktg mgr

Rubber Division

J.S. Wileczka, director mktg
R.C. Bernier, gen sales mgr
R.T. LaCrosse, business mgr, CMP
C.A. Calder, business mgr, O-Ring
J.A. Avery, business mgr, ElastaCast
C.C. Gregory, business mgr, Fort Worth
R.A. Bugg, mkt devel mgr, automotive

ADVERTISING AGENCIES

Humphrey Browning MacDougall, Boston—golf division, Terrence O'Leary, acct supr.

Creamer Inc., Providence, R.I.—rubber div—Robert Lynch, vp-adv and media sup.

JAMES B. BEAM DISTILLING CO.

Chicago

MARKETING PERSONNEL

V. Zast, director, mktg and adv

ADVERTISING AGENCIES

Lee King & Partners, Chicago—Jim Beam bourbon—Charles Brom, acct super.

BBDO, Chicago—Beam's Black Label bourbon, Beam's Choice bourbon, Dark Eyes vodka, Chateaux cordials—J. Duncan, acct super.

Marsteller Inc., Chicago—Kamora Imported Coffee Liqueur, Spey Royal Scotch, Beamero Tequila—D. Brashears, acct super.

SWINGLINE INC., THE SWINGLINE CO.

New York

MARKETING PERSONNEL

David B. Miller, vp-sales and mktg, The Swingline Co.
Dick Shuneson, director-sales and mktg, consumer products div, retail stationery div
John Sheridan, director sales and mktg, business machines div
Fred Weiss, vp, mktg dvlmt and admin
Karen Hahn, mktg mgr, Office Products div
Anne Beirne, mktg services mgr, consumer products div and retail stationery div

ADVERTISING AGENCY

Al Paul Lefton Co. New York—G. William Wolfston, president-mgmt sup; Robert H.D. Ellis, acct exec, Office Products.

MASTER LOCK CO.

Milwaukee

MARKETING PERSONNEL

Dwight W. Boyer, vp, mktg
Harv Schneider, mgr, mktg services

ADVERTISING AGENCY

Cramer-Krasselt, Milwaukee—consumer trade, intl adv—W. Faude, acct super.

ANDREW JERGENS CO.

Cincinnati

MARKETING PERSONNEL

R.G. Chandler, exec vp
R.L. Dom, vp-mktg
E.K. Eanes, vp-new products

Sales

R.R. Culpin, vp-sales

ADVERTISING AGENCY

Cunningham & Walsh, New York—Jergens lotion, Jergens aloe and lanolin lotion, Gee Your Hair Smells Terrific shampoo and conditioner, Jergens lotion-enriched Soap, Gentle Touch soap—Frank Vernon, vp-mgmt super; Carole Foxley, vp-acct super; Judy Block, acct super; Tom Carroll, Katherine Day, Tom Loughran, acct execs.

AMERICAN CIGAR

New York

MARKETING PERSONNEL

G.L. Theophilos, exec vp
K.P. Noone, mktg mgr
T.P. Tiernan, exec mgr, sales admin
E.M. Totty, sales mgr, Central
E.A. Vega, sales mgr, South
G.F. Ward, sales mgr, East
S.G. Dye, sales mgr, West

ADVERTISING AGENCY

SSC&B, New York—Roi-Tan, Antonio y Cleopatra, Bock y Ca, La Corona cigars, RoiTan Little Cigars, A & C Little Cigars, Sail, Flying Dutchman, Clan and Blue Boar smoking tobaccos—William Weithas, Jr., chairman; H. Rover, vice-

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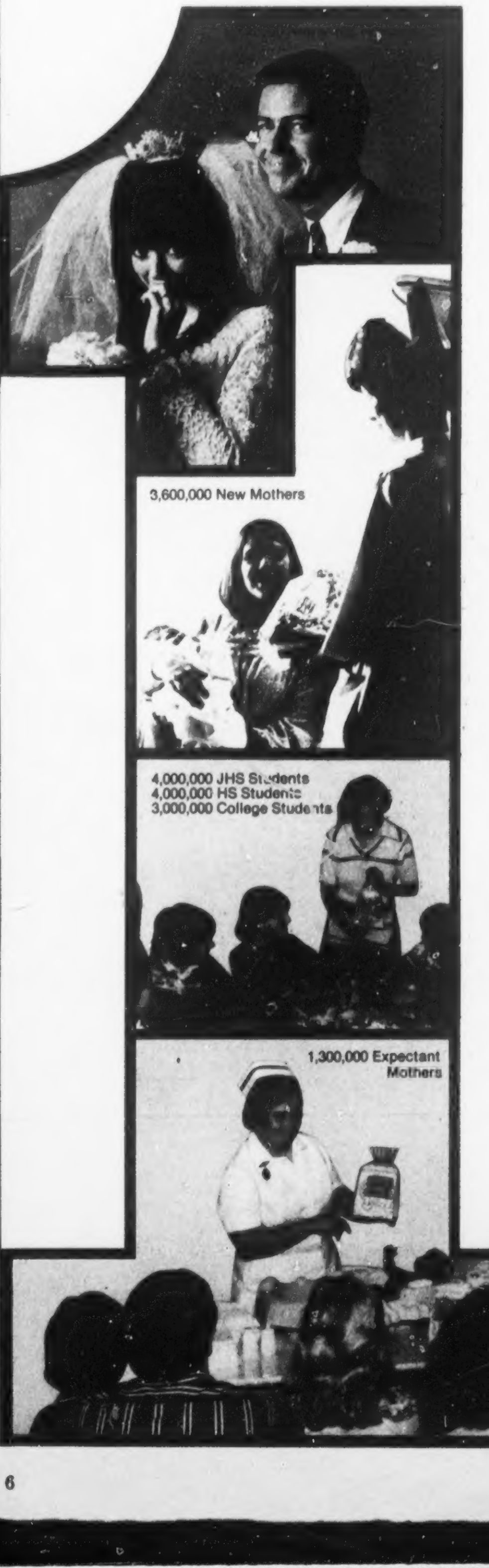

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FRANKLIN LIFE INSURANCE CO.
Springfield, Ill.

MARKETING PERSONNEL

R.L. Kehrli, senior vp-agency mktg operations

T.M. Costa, vp, director of sales promo

MCM PRODUCTS
New York

MARKETING PERSONNEL

E.S. Abrain, exec vp, mktg, W.R. Case & Sons Cutlery Co.

A. Ritchie, exec vp-Marson Corp.

L. Pintak, vp-mktg-Marvel Lighting Corp.

G. Radler, director mktg, Swingline of Canada Ltd.

ADVERTISING AGENCIES

Al Paul Lefton Co., New York—Bob Ellis, Rob Grundy, acct execs, W.R. Case & Sons.

Ingalls Associates, Boston—Marson Corp.—Joseph Maynard, chairman.

Kolker, Talley, Hermann Inc., New York—Marvel Lighting Corp.—Stanley Kolker, president.

Leslie Advertising Ltd., Don Mills, Ontario—Swingline of Canada Ltd.—Jerry Leslie, president.

American Broadcasting Cos.

	1981	1980
Sales.........	$2,443,713,000	$2,280,380,000
Earnings.....	146,313,000	146,304,000
Advertising*.	40,000,000	46,764,800

*AA estimate

American Broadcasting Cos., New York, the 99th largest national advertiser reduced its advertising budget 14.5% to an estimated $40 million in 1981.

Not surprisingly, the ABC Television Network was the top corporate spender with most of its advertising concentrated in magazines. But, its measured media spending of $12 million was nearly 25% below 1980. Also, the network also spent $3 million in the promotion of its "Movie of the Week."

The company's other big spender was ABC Radio, comprised of six radio networks and 13 am and fm stations. ABC Radio spent $6.1 million in measured media, nearly all of it on spot tv. Among others, ABC cable programing spent $175,700 and WABC-TV, a network-owned station, spent $376,400 in measured media.

ABC reported record revenues of $2.4 billion for 1981, an increase of nearly 7% over 1980 revenues of $2.3 billion. However, net earnings of $146.3 million in 1981 were approximately equal to 1980 earnings.

The company reports that uncertainty in the advertising marketplace affected all of its principle operating units, especially in the first half of 1981. Other negative influences on included write-downs of certain publishing assets and the disruption of network programing and sales efforts by the previous year's actors' strike.

In 1981, ABC's broadcasting operations had revenues of $2.1 billion and net earnings of $316.1 million. Both revenues and earnings registered increases over 1980. In fact, broadcasting accounted for 86% of the company's revenue increases in 1981.

As usual, the ABC Television network was broadcasting's primary revenue source but the unit was plagued by increased costs in entertainment as well as

100 Leaders' advertising as a per cent of sales

Covering total 1981 ad expenditures, including measured and unmeasured media

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Airlines

Ad rank	Company	Advertising	Sales	Adv. as % of sales
57	Trans World Corp.	$95,235,900	$5,265,500,000	1.8%
75	UAL Inc.	70,585,100	5,141,174,000	1.4
87	Eastern Airlines	54,100,000	3,727,093,000	1.5
89	American Airlines	51,496,900	4,108,699,000	1.2
91	Delta Airlines	44,500,000	3,533,326,000	1.3

Appliances, Tv, Radio

Ad rank	Company	Advertising	Sales	Adv. as % of sales
17	RCA Corp.	208,798,300	8,004,800,000	2.6
35	General Electric Co.	164,696,300	27,240,000,000	0.6
65	North American Philips	83,881,400	3,030,044,000	2.8

Automobiles

Ad rank	Company	Advertising	Sales	Adv. as % of sales
5	General Motors Corp.	401,000,000	62,698,500,000	0.6
11	Ford Motor Co.	286,686,600	38,247,100,000	0.7
24	Chrysler Corp.	193,000,000	10,821,600,000	1.8
51	Toyota Motor Sales	106,186,700	17,014,984,000	6.2
62	Nissan Motor Corp., U.S.A.	87,884,100	15,680,000,000	5.6
67	Volkswagen of America	81,000,000	16,118,505,500	0.5
76	American Motors Corp.	70,000,000	2,588,923,000	2.7
78	American Honda Motor Co.	68,346,800	7,945,401,000	0.9

Chemicals

Ad rank	Company	Advertising	Sales	Adv. as % of sales
44	American Cyanamid Co.	138,000,000	3,649,073,000	3.8
53	E.I. du Pont de Nemours & Co.	105,000,000	22,810,000,000	0.5
58	Union Carbide Corp.	90,000,000	10,168,000,000	0.9

Communications, Entertainment

Ad rank	Company	Advertising	Sales	Adv. as % of sales
37	Warner Communications	159,000,000	3,237,153,000	4.9
43	Time Inc.	141,133,000	3,296,382,000	4.3
46	CBS Inc.	134,010,000	4,125,954,000	3.0
80	MCA Inc.	63,600,000	1,328,988,000	4.8
90	Columbia Pictures Industries	47,500,000	686,600,000	6.9
99	American Broadcasting Cos.	40,000,000	2,443,713,000	1.6

Drugs

Ad rank	Company	Advertising	Sales	Adv. as % of sales
40	Richardson-Vicks	149,000,000	1,088,100,000	13.7
48	Schering-Plough Corp.	119,768,600	1,808,000,000	6.6
59	Sterling Drug	89,700,000	1,792,925,000	5.0
60	SmithKline Corp.	89,265,000	1,985,341,000	4.5
73	Miles Laboratories	72,084,700	767,606,000	9.4
83	Pfizer Inc.	59,000,000	3,249,700,000	1.8

Food

Ad rank	Company	Advertising	Sales	Adv. as % of sales
3	General Foods Corp.	456,800,000	8,351,100,000	5.5
7	Nabisco Brands Inc.	340,983,000	5,819,200,000	5.9
15	McDonald's Corp.	230,248,200	7,129,000,000	3.2
19	General Mills	207,306,100	5,312,100,000	3.9
25	Ralston Purina Co.	192,984,000	5,224,700,000	3.7
30	Dart & Kraft	177,042,100	10,211,000,000	1.7
31	Esmark Inc.	175,065,000	3,132,349,000	5.6
33	Beatrice Foods Co.	170,000,000	9,023,520,000	1.9
34	Consolidated Foods Corp.	166,399,700	5,800,000,000	2.9
36	H.J. Heinz Co.	160,175,000	3,688,500,000	4.3
39	Norton Simon Inc.	149,875,600	3,191,898,000	4.7
47	Pillsbury Co.	131,015,100	3,385,100,000	3.9
54	Kellogg Co.	102,111,300	2,321,300,000	4.4
56	Quaker Oats Co.	95,597,100	2,599,500,000	3.7
61	Nestle Enterprises	88,000,000	2,387,000,000	3.7
63	CPC International	87,000,000	4,343,100,000	2.0
74	Campbell Soup Co.	70,757,000	2,950,000,000	2.4
92	Borden Inc.	44,019,000	4,415,174,000	1.0
94	MortonNorwich Products	42,483,800	957,584,000	4.4

Gum, Candy

Ad rank	Company	Advertising	Sales	Adv. as % of sales
69	Mars Inc.	78,400,000	1,350,000,000	5.8
81	Wm. Wrigley Jr. Co.	63,526,300	607,834,000	10.5
86	Hershey Foods Corp.	56,516,000	1,451,000,000	3.9

Photographic equipment

Ad rank	Company	Advertising	Sales	Adv. as % of sales
55	Eastman Kodak Co.	$101,000,000	$10,337,500,000	1.0%
88	Polaroid Corp.	51,750,000	1,419,600,000	3.6
100	Canon U.S.A.	36,525,800	705,000,000	5.2

Retail chains

Ad rank	Company	Advertising	Sales	Adv. as % of sales
2	Sears Roebuck & Co.	544,104,500	27,360,000,000	2.0
6	K mart Corp.	349,611,000	16,527,012,000	2.1
18	J.C. Penney Co.	208,600 000	11,860,000,000	1.8

Soaps, Cleaners (and Allied)

Ad rank	Company	Advertising	Sales	Adv. as % of sales
1	Procter & Gamble Co.	671,757,400	11,944,000,000	5.6
13	Colgate-Palmolive Co.	260,000,000	5,261,364,000	4.9
27	Unilever U.S.	188,878,800	2,840,170,000	6.7
68	Clorox Co.	80,761,000	714,023,000	11.3
79	S.C. Johnson & Son	66,560,000	2,000,000,000	3.3

Soft drinks

Ad rank	Company	Advertising	Sales	Adv. as % of sales
14	PepsiCo Inc.	260,000,000	7,027,443,000	3.7
22	Coca-Cola Co.	197,831,700	5,889,035,000	3.4

Telephone service, equipment

Ad rank	Company	Advertising	Sales	Adv. as % of sales
9	American Telephone & Telegraph Co.	297,000,000	58,214,000,000	0.5
38	International Telephone & Telegraph Co.	153,000,000	17,306,189,000	0.9

Tobacco

Ad rank	Company	Advertising	Sales	Adv. as % of sales
4	Philip Morris Inc.	432,971,400	10,885,900,000	4.0
8	R.J. Reynolds Industries	321,279,600	11,691,800,000	2.7
21	B.A.T. Industries PLC	199,301,800	4,592,259,000	4.3
66	American Brands	82,218,900	6,538,161,000	1.3
93	Liggett Group	43,500,000	1,192,481,000	3.6

Toiletries, Cosmetics

Ad rank	Company	Advertising	Sales	Adv. as % of sales
12	Warner-Lambert Co.	270,400,000	3,379,092,000	8.0
16	American Home Products Corp.	209,000,000	4,131,237,000	5.1
20	Bristol-Myers Co.	200,000,000	3,496,700,000	5.7
23	Johnson & Johnson	195,000,000	3,025,900,000	6.4
32	Gillette Co.	171,900,000	2,335,000,000	7.4
42	Loews Corp.	141,384,400	4,776,000,000	3.0
45	Chesebrough-Pond's	136,241,000	1,529,674,000	8.9
50	Revlon Inc.	106,638,750	2,365,938,000	4.5
77	Beecham Group Ltd.	69,123,200	2,947,950,000	2.3
96	Noxell Corp.	41,082,100	233.112,000	17.6
97	Jeffrey Martin Inc.	41,000,000	75,000,000	54.7

Wine, Beer, Liquor

Ad rank	Company	Advertising	Sales	Adv. as % of sales
28	Anheuser-Busch Cos.	187,228,500	4,409,600,000	4.2
29	Heublein Inc.	187,000,000	2,050,121,000	9.1
41	Seagram Co. Ltd.	145,000,000	2,772,733,000	5.2
70	Brown-Forman Distillers Corp.	78,000,000	860,556,000	9.1
85	Jos. E. Schlitz Brewing Co.	56,763,500	881,674,000	6.4
95	Hiram Walker Resources Ltd.	42,283,000	2,945,300,000	1.4

Miscellaneous

Ad rank	Company	Advertising	Sales	Adv. as % of sales
10	Mobil Corp.	293,103,200	68,587,000,000	4.3
26	U.S. Government	189,026,000	—	—
49	Mattel Inc.	110,600,000	1,134,252,000	9.8
52	Gulf & Western Industries	106,140,900	7,409,000,000	1.4
64	Xerox Corp.	84,150,000	8,691,000,000	1.0
71	American Express Co.	76,036,000	7,211,000,000	1.1
72	Greyhound Corp.	75,592,100	5,164,000,000	1.5
82	Kimberly-Clark Corp.	62,440,000	2,900,000,000	2.2
84	Exxon Corp.	58,062,000	115,148,321,000	0.1
98	International Business Machines Corp.	40,700,000	29,070,000,000	0.1

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news programing. According to the company, the late start of the 1981 new fall season—approximately three weeks late due to the 1981 Writers Guild of America strike—and the residual effects of that strike caused a sharp increase in prime time program costs. At the same time, news programing costs also soared due to the expansion of the news division and coverage of special events. The special coverage included the attempted assassinations of Ronald Reagan and Pope John Paul II, the Royal Wedding, the death of Anwar Sadat and the flight of the space shuttle.

ABC-owned tv stations also had increased revenues for 1981, but the increases were moderated by cost increases. As a result, the stations registered a second year of earnings decline. Many of the tv stations expanded their news coverage during the day and evening, adding significantly to their costs. WABC-TV in New York introduced "The Five O'Clock Eyewitness News," while WLS-TV in Chicago began "Eyewitness News Tonight" at 10 p.m. In Los Angeles, KABC-TV expanded "Eye on L.A.," a magazine-format series, from three to four nights weekly. All five stations led in ratings in their five markets from sign-on to sign-off.

Even though ABC Publishing also showed revenue increases for 1981, its earnings dropped drastically. In 1981 earnings of $4.4 million were down 71% from 1980.

The increase in revenues earned by the magazines, including *Los Angeles, High Fidelity* and *Modern Photography*, increased book sales and the inclusion of revenues from the newly acquired Ames Publishing Co. The losses came from write-downs of the assets of the company's R.L. White Co.

ABC's other operations consist of ABC Video Enterprises, ABC Motion Pictures, ABC Entertainment Center in Los Angeles and three nature-oriented parks in Florida. The combined revenues of these operations were $32.4 million in 1981. However, the extensive investments in the start-up and development of the video and motion pictures segment offset the revenue gains and the units showed an earnings loss of $10.6 million.

ABC underwent a year of transition in 1981. While continuing to dominate in the area of broadcasting, it made a major decision to diversify into the new communications technologies as well as motion picture production. ABC and Westinghouse continued to develop their all-news cable service launched in the spring of 1982. It also joined with Getty Oil's Entertainment & Sports Programming Network (ESPN) to develop a pay sports network. And, with the Warner Amex Satellite Entertainment Co. it launched the Alpha Repertory Television Service (ARTS), an all-arts cable network, now programed by Hearst/ABC Video Services.

Based on the averages for all 90 shows broadcast during the 18 weeks that ended on Feb. 7 this year, ABC and CBS tied at a 13.9 rating among women 18 to 49. Among men 18 to 49, ABC's 13.6 easily beat CBS' 11. ABC also topped CBS, 14.1 to 12.4, in viewing by men 25 to 54.

Published research about the November, 1981, sweeps also showed that ABC affiliates, as in the past, emerged as the top

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100 Leaders' media expenditures compared in 1981

In measured media only, grouped by industries; ad dollars in thousands

Airlines

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
60	UAL Inc.	57,560.5	33.1	8.1	—	29.1	14.4	14.6	—	0.7
61	Trans World Corp.	56,486.3	30.7	11.1	—	21.1	26.8	8.4	1.2	0.7
77	American Airlines	44,996.9	44.6	9.7	—	23.2	6.6	15.0	—	0.9
78	Eastern Air Lines	43,622.6	54.3	9.0	—	11.2	4.0	16.0	—	5.5
86	Delta Air Lines	39,954.7	54.2	3.1	—	12.7	0.2	25.8	—	4.0

Appliances, Tv, Radio

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
25	RCA Corp.	107,828.2	27.4	25.3	—	11.2	33.6	0.3	1.9	0.3
42	General Electric Co.	72,749.5	13.8	26.3	—	12.2	41.2	2.7	3.5	0.3
93	North American Philips Co.	34,152.9	4.1	21.0	0.7	12.8	59.9	—	1.3	0.2

Automobiles

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
4	General Motors Corp.	335,075.8	19.6	19.5	0.5	4.2	43.8	9.7	1.6	1.1
6	Ford Motor Co.	264,175.7	12.1	20.8	1.1	8.5	43.1	12.2	1.7	0.5
10	Chrysler Corp.	182,320.0	17.0	13.8	0.5	9.6	30.1	27.8	1.2	0.0
33	Toyota Motor Sales	91,186.7	12.3	11.1	—	42.4	28.0	4.1	0.2	1.9
45	Volkswagen of America	68,978.7	13.0	35.5	—	19.0	30.8	0.9	—	0.8
46	Nissan Motor Corp., U.S.A.	68,884.1	12.8	14.3	—	29.0	31.4	11.1	—	1.4
69	American Motors Corp.	50,150.9	10.4	29.8	—	39.2	20.1	0.5	—	0.0
72	American Honda Motor Co.	47,846.8	11.0	25.9	1.2	9.5	38.2	11.5	—	2.7

Chemicals

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
62	Union Carbide Corp.	56,193.6	3.8	0.7	2.6	6.1	75.4	10.3	0.2	0.9
63	American Cyanamid Co.	54,774.0	0.2	13.8	7.8	17.9	56.0	4.3	—	—
68	E. I. du Pont de Nemours & Co.	50,487.4	1.6	49.9	6.2	4.3	37.2	0.7	0.1	—

Communications, Entertainment

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
28	Warner Communications	99,230.5	13.4	21.1	—	16.3	47.9	1.0	0.2	0.1
32	Time Inc.	91,536.1	19.5	39.8	—	32.8	7.5	—	0.2	0.2
59	CBS Inc.	57,647.5	27.4	51.4	—	10.6	2.9	0.2	5.7	1.8
87	Columbia Pictures Industries	39,871.1	0.2	3.1	—	6.9	81.8	7.8	0.1	0.1
92	MCA Inc.	34,311.7	12.0	1.5	—	14.3	52.3	18.8	0.3	0.8
96	American Broadcasting Cos.	33,485.5	30.7	45.6	—	18.3	—	0.3	3.2	1.9

Drugs

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
31	Richardson-Vicks	93,539.1	0.2	6.6	—	16.2	72.3	2.4	2.3	—
36	Sterling Drug	82,787.4	1.1	15.0	—	10.9	66.9	0.9	5.2	—
43	Schering-Plough Corp.	69,962.6	0.8	22.4	—	9.7	57.9	1.8	3.9	2.6
79	Miles Laboratories	43,687.7	—	6.9	—	13.0	79.0	0.1	1.0	—
89	SmithKline Corp.	38,865.5	—	15.0	2.5	12.4	66.5	—	3.6	—
90	Pfizer Inc.	38,226.1	—	10.9	5.8	1.1	82.2	—	—	—

Food

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
2	General Foods Corp.	377,690.4	1.6	9.8	—	22.3	63.1	1.7	1.5	—
8	General Mills	195,240.3	2.3	7.6	—	42.5	44.3	2.6	0.7	—
16	Dart & Kraft	145,366.7	6.7	21.4	—	30.4	36.7	4.3	0.5	—
18	McDonald's Corp.	138,148.2	—	0.1	—	54.4	39.2	1.2	2.4	2.7
22	Nabisco Brands	120,983.0	4.9	14.6	—	21.0	49.6	0.2	8.7	1.0
26	Ralston Purina Co.	103,502.0	1.1	11.2	0.8	17.6	64.5	4.8	—	—
27	Pillsbury Co.	102,355.7	2.1	5.5	—	31.8	57.9	2.3	—	0.4
29	Kellogg Co.	97,111.3	3.9	5.3	—	17.8	69.3	2.1	1.5	0.1
37	Consolidated Foods Corp.	81,300.2	3.6	13.7	—	18.5	61.6	2.3	0.2	0.1
39	Nestle Enterprises	75,167.6	4.1	9.7	—	36.2	46.6	0.4	2.8	0.2
40	Norton Simon Inc.	73,652.0	13.5	29.2	—	12.2	38.9	1.4	1.4	3.4
44	Esmark Inc.	69,523.6	1.9	16.2	—	12.1	67.9	—	1.7	0.2
57	Quaker Oats Co.	58,624.7	3.0	13.9	—	24.6	58.3	0.2	—	—
58	H. J. Heinz Co.	58,407.4	5.1	8.3	—	29.2	57.1	0.2	0.1	—
73	Campbell Soup Co.	47,599.6	9.1	9.7	—	24.7	42.4	5.1	9.0	—
74	Beatrice Foods Co.	46,567.0	12.3	26.6	2.2	34.0	9.6	10.2	0.5	4.6
80	CPC International	42,837.4	3.1	15.5	—	30.5	50.0	—	—	0.9
88	MortonNorwich Products	39,663.8	4.9	6.7	—	17.7	64.8	—	5.8	0.1
94	Borden Inc.	33,875.9	6.7	14.1	—	18.4	52.8	3.0	4.5	0.5

Gum, Candy

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
49	Mars Inc.	65,876.8	1.4	2.2	—	48.9	47.3	0.2	—	—
52	Wm. Wrigley Jr. Co.	62,777.5	—	—	—	21.8	67.2	2.8	8.2	—
76	Hershey Foods Corp.	45,676.1	4.7	5.0	—	21.5	65.9	1.4	1.5	—

Photographic equipment

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
51	Eastman Kodak Co.	65,009.3	3.9	20.4	—	8.6	64.0	1.4	0.8	0.9
84	Polaroid Corp.	41,049.2	5.6	15.6	—	3.6	73.9	1.3	—	—
97	Canon U.S.A.	33,205.3	3.0	27.8	—	14.5	50.0	—	4.2	0.5

Retail chains

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
11	Sears, Roebuck & Co.	178,171.5	—	33.5	—	7.8	49.4	3.5	5.8	—
64	K mart Corp.	53,497.3	—	15.4	—	42.6	22.1	14.7	4.9	0.3
21	J.C. Penney Co.	47,941.5	—	18.5	—	27.0	53.3	0.7	0.2	0.3

Soaps, Cleaners (and Allied)

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
1	Procter & Gamble Co.	563,697.4	1.1	6.3	—	22.8	69.8	—	—	—
12	Unilever U.S.	158,878.8	2.2	10.8	—	27.1	59.9	—	—	—
35	Colgate-Palmolive Co.	88,920.3	4.2	10.6	—	25.0	54.0	6.2	—	—
50	Clorox Co.	65,070.5	1.6	8.7	—	11.6	76.4	—	1.7	—
67	S.C. Johnson & Son	51,564.4	2.3	23.9	—	12.4	61.0	—	0.4	—

Soft drinks

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
13	PepsiCo Inc.	157,219.1	1.7	2.3	—	44.4	43.8	7.2	—	0.6
19	Coca-Cola Co.	134,922.1	3.4	4.1	—	35.4	45.2	9.3	0.5	2.1

Telephone service, equipment

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
7	American Telephone & Telegraph	209,646.4	10.3	16.8	—	28.5	32.9	7.8	3.5	0.2
53	International Telephone & Telegraph	62,220.3	6.0	14.1	—	44.4	33.8	0.1	0.6	1.0

Tobacco

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
3	Philip Morris Inc.	372,971.4	24.3	27.6	—	5.4	26.7	4.8	—	11.2
5	R. J. Reynolds Industries	316,066.3	45.1	28.3	—	9.6	1.1	—	—	15.9
17	B.A.T. Industries PLC	142,607.0	32.2	42.9	—	5.4	—	—	—	19.5
47	American Brands	67,718.9	19.5	51.7	—	1.3	11.9	0.4	0.3	14.9
83	Liggett Group	41,614.5	5.9	47.6	—	13.7	25.3	0.6	—	6.9

Toiletries, Cosmetics

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
9	American Home Products Corp.	190,264.7	0.8	5.4	0.3	21.2	69.1	1.0	2.2	—
15	Bristol-Myers Co.	151,504.7	1.0	15.6	0.1	7.7	72.6	2.9	—	0.1
20	Johnson & Johnson	132,568.7	3.5	17.0	0.2	2.9	73.3	2.5	0.6	—
21	Warner-Lambert Co.	123,250.1	0.5	7.4	—	24.2	62.4	0.6	4.9	—
23	Loews Corp.	116,384.4	42.6	31.4	—	3.4	1.1	—	—	21.5
30	Gillette Co.	96,441.0	2.0	9.8	—	8.9	79.3	—	—	—
41	Chesebrough-Pond's	73,561.6	3.4	18.1	—	11.1	67.1	0.3	—	—
48	Beecham Group Ltd.	66,400.8	0.2	8.1	1.1	7.8	82.7	0.1	—	—
54	Revlon Inc.	61,972.6	0.7	17.7	—	37.7	39.9	1.0	3.0	—
85	Noxell Corp.	39,963.1	—	24.9	—	9.2	64.9	0.2	0.8	—
99	Jeffrey Martin Inc.	32,246.8	0.2	5.9	—	26.5	42.7	—	24.7	—

Wine, Beer, Liquor

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
14	Anheuser-Busch	154,124.3	1.6	4.0	—	20.4	47.8	22.4	2.5	1.3
24	Seagram Co. Ltd.	114,380.4	11.2	59.1	—	5.6	12.2	0.2	—	11.7
34	Heublein Inc.	90,279.5	3.3	16.3	—	32.9	37.3	3.2	—	7.0
81	Jos. E. Schlitz Brewing Co.	42,763.5	0.9	6.1	—	25.1	42.8	19.5	0.2	5.4
91	Brown-Forman Distillers Corp.	37,942.4	7.5	45.0	—	20.9	9.7	0.5	—	16.4
98	Hiram Walker Resources Ltd.	32,525.4	6.4	71.4	—	0.3	—	—	—	21.9

Miscellaneous

Rank	Company	Total	% of total dollars							
			News-papers	Genl mags	Farm pub	Spot tv	Net tv	Spot radio	Net radio	Out-door
38	U.S. Government	78,951.1	11.1	21.6	2.9	8.9	33.7	11.4	9.2	1.2
55	Gulf & Western Industries	61,450.5	8.2	7.6	—	37.7	44.0	1.4	0.7	0.4
56	Mobil Corp.	60,395.3	14.1	4.0	2.4	55.7	18.8	4.2	—	0.2
65	American Express Co.	52,794.7	12.2	17.0	—	18.0	48.2	2.7	1.9	—
66	Greyhound Corp.	52,192.1	4.4	10.4	—	4.5	63.5	16.8	0.2	0.2
70	Mattel Inc.	48,677.9	4.8	8.5	—	33.0	53.3	—	—	0.4
75	Kimberly-Clark Corp.	46,344.6	3.6	19.5	—	27.9	45.6	1.4	2.0	—
82	Exxon Corp.	42,482.5	3.6	15.9	0.6	14.7	57.0	6.9	0.7	0.6
95	International Business Machines Corp.	33,535.3	13.2	31.8	—	3.0	46.0	4.7	1.3	—
100	Xerox Corp.	30,336.8	16.6	36.2	—	3.9	38.1	1.0	3.9	0.3

draw among the key 18-to-49-year-old viewer in major urban centers. ABC stations were the demographic leaders in all of the top 10 markets, with CBS breaking ABC's stranglehold in markets 17 and 18, St. Louis and Tampa/St. Petersburg. In terms of the top 10 stations in the top 50 markets, WBRC, Birmingham, Ala., an ABC affiliate, was the biggest draw among women 18 to 49, notching an average 54 share.

"Good Morning America," hosted by David Hartman, held a substantial ratings edge over NBC's "Today" and the revamped "Morning" on CBS. Later during the day the network attracted the majority of soap addicts with its legendary "General Hospital," "All My Children," "One Life to Live" and "Ryan's Hope." These shows were among the top-rated programs in daytime television and helped increase ABC's lead over its competitors for the fourth consecutive year.

The network's Afterschool Specials scheduled 15 shows for 1981-1982, many on controversial and provocative topics. In 1981, programs included "The Wave," a chilling recounting of a history teacher's classroom demonstration of fascism, and "Don't Hit Me, Mom," dealing with child abuse.

ABC's prime time programing continued with its mix of successful series drama, block-buster films, made-for-tv movies and program specials. The successful series drama included veterans such as "Happy Days," "Laverne and Shirley," "Three's Company" and "Too Close for Comfort" as well as the newcomers such as "The Fall Guy." At the same time audiences continued to be loyal to "The Love Boat" and "Fantasy Island." The motion picture segment featured some of the biggest films of recent years: "Superman," "Close Encounters of the Third Kind," "Grease," "The Goodbye Girl," "Moonraker," "Slap Shot" and "Airport '79-The Concorde," while "Jacqueline Bouvier Kennedy," "Sizzle" and "A Long Way Home" highlighted the made-for-tv list of movies.

But ABC's most marked success was in the area of newsprograming. "World News Tonight," with its unique three-anchor format, nibbled away at the network news ratings led by CBS. In several weeks, "World News Tonight" finished ahead of the others in the Nielsens. Later on in the evening, "Nightline" was expanded to a half-hour format. On Sundays, ABC expanded its "Issues and Answers" to the one hour "This week With David Brinkley." Anchored by David Brinkley, this public affairs program not only deals with interviews of people in the news but provides extensive news analyses through some of the country's major media and electronic journalists.

The telecast of the World Series helped cap a fine year for ABC. For the six Los Angeles Dodgers/New York Yankees games—four in prime time and two in the afternoon—ABC averaged a 30.0 rating and a 49 share. For the entire series, ABC estimated that 130 million people had watched all or part of the games.

This year ABC plans to spend nearly $24 million for the rights to its baseball programing, a package that includes Monday night games, the All-Star game and the championship play-offs. ABC charged $150,000 per 30-seconds for its prime time All-Star game July 13. The rate was $15,000 more than NBC sought last season, and $40,000 higher than the 1980 rate.

However, 1981 saw more than the dominance of ABC in tv, it saw the company move boldly into the new communications technologies. In April, ABC launched ARTS, the cultural program service that marked the network's first entry into the cable programing field.

ARTS provided programs in the areas of drama, music, opera, dance, painting, sculpture and literature to over 7 million homes. Hearst/ABC Video Services estimates that ARTS has been drawing an average rating of 1 to 1.5 in the homes it reaches, for an average hourly audience of about 600,000. Since the announcement of ARTS' much vaunted Mobil Showcase programing on various arts, General Motors, AT&T, Ford Motor Co., Chevrolet Motor Division, Eastman Kodak, Exxon, Mobil Oil, Polaroid and Atari have come on board.

ARTS began as an independent ABC venture and slowly evolved into a joint presentation of Hearst/ABC Video Services carried on Warner-Amex Satellite Entertainment Co.'s Nickelodeon Channel. It has not been the only Hearst and ABC joint venture. Also in the works has been "Daytime," a women's cable service that was finally launched in March.

The content of "Daytime" is original programing that deals with three areas: Self, home and family. The subjects covered include fashion, careers, homemaking, finance and interpersonal relationships. The four-hour weekday format of "Daytime" is advertiser-supported and distributed on SATCOM III-R. For advertising, "Daytime" has been making a pitch for three-to-five minute "infomercials" and traditional 60 and 30-second spots. It has targeted for one "infomercial" per hour and a combination six additional 60-second spots for a total of nine to eleven minutes of advertising time per hour.

ABC also joined forces with Westinghouse to form Satellite News Channels, a joint venture to produce two 24-hour advertiser-supported cable news networks. SNC offers cable system operators one-time-only signing and launch bonuses totaling 75 cents per subscriber for carrying the service, as well as 10 cents per subscriber annually for a co-op advertising fund.

Even though the two news services put SNC in direct competition with Ted Turner's Cable News Network, SNC executives insist that their service will be markedly different. According to them, SNC will provide subscribers an up-to-the-minute briefing on the top news stories of the moment, plus other important information—all in a relatively short period of time—18 minutes.

SNC was launched on June 21, and beamed to nearly 2.6 million subscribers via Westar IV. There were 12 charter advertisers: Ace Hardware, American Fur Industry, American Motors Corp., Charles Schwab, Corvo Wines, Chrysler Corp., Ford Motor Co., General Motors' Chevrolet division, Kraft Inc., Olympic Stain, Radio Shack and United Van Lines. ABC and Group W Satellite Communications estimate that SNC will have 10 million subscribers by the end of 1983.

SNC has also developed a series of reciprocal advertising arrangements with a number of cable services, including Black Entertainment Television, ESPN and the USA Network.

At the National Cable Television Assn. convention this year, ABC announced two more communications technologies ventures. The first, Home View Network, will use ABC's broadcast distribution system to transmit overnight a four-hour, five- to six-day service of movies and other special programs to subscribers. The signal will be recorded on special home videocassette recorders for playback at a future time. The signal, which will be sent in scrambled form, can only be decoded by a special unit to be supplied by Sony according to ABC specification. The new network will be launched in 1983 through the network's five owned-and-operated stations and participating affiliated stations. ABC estimates that if it captures 20% of the VCR market in 1985 estimated at 10 to 12 million units, it will have a yearly revenue stream of $480 million.

The other venture brings ABC Video Enterprises together with Cox Cable Communications in developing one and two-way interactive cable technology, as well as transactional services and videogames. Even though the nature of the joint venture wasn't clearly specified, ABC plainly wants a piece of the software industry that INDAX is capable of providing.

Hand in hand with these ventures, ABC also plans a sports pay cable television service—a joint venture with Getty Oil's ESPN—to offer major sports events on a pay subscription basis. The venture has been stalled since its announcement last September because of technical glitches.

With this large-scale move into cable and pay-tv, ABC is also looking toward increasing its motion picture production capabilities. It has established ABC Motion Pictures for the production of movies for theatrical distribution. The division began production on "Young Doctors in Love," a satirical movie released this summer.

Other films set for a 1982 production are "National Lampoon's Class Reunion" and Mike Nichols' "Chain Reaction," starring Meryl Streep.

While video was positioning itself for the expanded marketplace, radio was repositioning itself for the rapidly evolving radio environment and emerging technologies, principally satellite distribution. The company established a Radio Enterprises unit to produce and develop new programing and business opportunities. The unit is producing ABC TALKRADIO for the ABC Radio Networks, which have also expanded their operations from four to six full-service networks in the past year.

ABC also acquired Watermark Inc., a major syndicator of radio shows, and the company is a subsidiary of ABC Radio Enterprises. Watermark's "American Top 40," radio's most widely syndicated weekly series, now airs exclusively on ABC's Contemporary Radio Network.

The ABC Owned Radio Stations continued to increase audience delivery and in several markets have moved to answer demands for more informational programing. WABC in New York has adopted a news and talk format, patterned after the successful KABC, Los Angeles, move in the early 1960s designed by Ben Hoberman. Mr. Hoberman, vice-president and general manager of KABC then, is now president of ABC Radio.

On the personnel front, there were a number of changes. John C. Severino was named president of ABC Television, Robert G. Burton was named president of ABC Publishing, and Herbert A. Granath was named president of ABC Video Enterprises. Other appointments included that of Mark Cohen, senior vp, ABC Television, to the additional post of corporate vp and that of David Johnson to the post of vp, strategic planning, ABC, Inc.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$10,270,300	$11,899,800
Magazines	15,365,500	18,030,400
Spot tv	6,116,500	4,909,300
Spot radio	90,800	212,600
Network radio	1,087,000	2,066,800
Outdoor	555,400	812,400
Total measured	33,485,500	37,931,100
Unmeasured	6,514,500	8,833,900
Estimated total	40,000,000	46,764,000

MARKETING PERSONNEL

ABC-TV Network

H. Weller (Jake) Keever, vp in charge of sales
Warren Boorom, vp-genl sales mgr
Robert Silberberg, vp-natl sales mgr
Gordon Link, vp-director eastern sales
John Lazarus, vp-sports sales
John Tiedemann Jr., vp-daytime sales
Robert Cagliero, vp-early morning sales
Marvin Goldsmith, vp-prime time sales proposals
William Breen, vp-news sales
Anthony Rocco, vp-business devel
Charles Allen, vp-sales admin
Symon Cowles, vp-creative services
Pete Barrett, vp-natl adv director
Charles Gabelmann, vp-sales promo

ABC Sports

Peter Dimmock, vp-intl

ABC-Owned TV Stations

Jon Olken, vp-creative services

ABC-TV Spot Sales

Walter Flynn, vp-genl mgr
Georgia Breza, director-planning and admin

ABC Radio Networks

Louis J. Severine, vp-director of sales
Arthur Sulzburgh, vp-natl sales mgr
Francis Boehm, vp-western sales mgr
Joseph Kelly, vp-Detroit sales mgr
Robert Watson, vp-eastern sales mgr
Dennis Glynn, vp-central sales mgr
Rhonda Hack, mgr-southwestern sales
Tom Rocco, mgr-special programs sales
Michael A. Winter, director-creative services
Linda Meilan, director-sales admin
David Logan, sales mgr-mkt development
Blaise Leonardi, sales mgr-youth networks
Frank Leoce, sales mgr-adult networks

ABC Video Enterprises

James T. Shaw, vp in charge of mktg

ADVERTISING AGENCIES

Grey Advertising, New York—ABC-TV movies for tv, theatrical, miniseries—Donald Foley, genl mgr-entertainment & leisure; Bob Griffin, acct super.

McCaffrey & McCall, New York—ABC-TV sports, news, other entertainment—Norman Freedman, group acct mgr; Bill Boister, mgmt super-news; Patrick Corrigan, acct super-sports; Barry Weintraub, acct super-entertainment.

Muller Jordan Weiss, New York—ABC Radio Networks—William Nightingale, mgmt super; Fran Meneker, acct super; Jerry Coleman, creative director.

American Cyanamid Co.

	1981	1980
Sales	$3,649,073,000	$3,453,934,000
Earnings	197,054,000	159,196,000
Advertising*	138,000,000	125,000,000

*AA estimate

American Cyanamid Co., Wayne, N.J., increased its ad spending 10.4% in 1981 to an estimated $138 million, to become the 44th largest U.S. advertiser.

Worldwide sales for American Cyanamid and its subsidiaries increased 5.6% to $3.65 billion in 1981, a slight increase from 1980's record $3.45 billion sales. Net earnings inceased to $197 million, up 23.8% from $159.2 million in 1980.

American Cyanamid's second-quarter 1982 earnings dropped a whopping 42% to $28 million from $48.4 million in the same 1981 period. Earnings for the second quarter were down as a result of the company's withdrawal from certain pigments and rubber chemicals businesses. James G. Affleck, Cyanamid chairman-chief executive officer, said the sales and earnings drops stemmed from severe recessions in many of the company's key markets and the continuing strength of the dollar against foreign currencies.

For the first six months of this year, Cyanamid earnings were $66 million, down 32% from the same period last year. Sales in 1982's first half dropped 2% to $1.75 billion.

The company, which celebrates its 75th anniversary this year, began operations in 1907 in a plant built on the shores of the Niagara River in Ontario, Canada, producing cyanamide, the first synthetic fertilizer. With chemistry as the thread binding its diverse operations, Cyanamid has expanded throughout the years into five major businesses: Agriculture, which accounts for 23% of the company's total sales; medical, 21%; specialty chemicals, 31%; consumer, 14%, and Formica brand products, 11%. Sales were up in all segments in 1981.

Operating earnings were higher for chemicals, consumer products, and Formica brand products and lower for the agricultural group, while medical earnings were about even with the 1980 figures. This is in direct contrast with the past two years when only the medical and agricultural segments showed higher earnings, while the other three areas declined.

Agricultural sales rose to $844 million, up from $837 million in 1980, while earnings fell to $120 million. Earnings in 1980 were $132 million.

The decline in earnings was attributed to a worldwide recession in the livestock industry, a severe over-supply and reduced prices of phosphate fertilizers, and the impact of the strong dollar on overseas revenues. An outstanding performance by pesticide products helped to offset the effect of these problems and produce increased sales for the division.

Sales of Cyanamid's major pesticides, Prowl and Avenge herbicides and Counter and Amdro insecticides continued to set new records for the company. These four products, all introduced since 1975, accounted for about 65% of all pesticide sales in 1981.

Sales of animal industry products were about even with those of 1980. The U.S. livestock industry continued to slump because of high interest rates, overproduction and low prices.

A sharp drop in U.S. exports of phosphates, particularly upgraded diammonium phosphate products, left fertilizer producers in the U.S. with an extended inventory position, and prices suffered a severe decline. These conditions, coupled with continuing high raw material and operating costs, resulted in sharp lower profit margins.

Sales for the medical group increased to $773 million, up 11.3% from $695 million in 1980. Due to the negative impact of the foreign exchange rates, earnings remained even for the past two years at $88 million.

Medical products, which are made and marketed in the U.S. by Lederle Laboratories division, benefited from the first full year of sales of a new antidepressant, Asendin amaxapine; continued consumer acceptance of Centrum multivitamins, and increased sales of Orimun oral polio vaccine and Davis and Geck sutures.

Lederle announced it is in the

early stages of research to create a new series of surgical devices that will diversify and expand Davis and Geck's business in hospital operating rooms. The first of these new products, Appose disposable skin stapler, was introduced at the annual meeting of the American College of Surgeons late in 1981.

In 1981, the company spent $6.9 million advertising Centrum vitamin and mineral tablets. Network tv got $6 million, with the remainder going to magazines and spot tv. This represents a large increase from the $2.6 million spent in 1980 to promote Centrum in magazines and spot tv. Centrum was Cyanamid's most heavily supported product outside the consumer products division.

Media spending for Stresstabs 600 was down from $5 million in 1980 to $2.9 million with the bulk being spent in magazine ads and the rest in newspaper supplements and spot tv. Last year, Stresstabs was the most heavily advertised product outside the consumer products division.

Chemical sales increased 7.6% to $1.1 billion and operating earnings increased to $78 million up 61.6% from $48 million in 1980. Operating earnings were up to 22% of the company total primarily because of the impact of increased sales and a 1980 provision of $13.6 million for business withdrawals. Cyanamid withdrew from the polyester tire yarn and certain other businesses in 1980.

Sales of paper chemicals increased dramatically in 1981 while mining, water treating and plastics chemicals showed moderate improvement. Sales of Cymel methylated resins increased as a result of a shift by the appliance and automotive industries to water-based, high-solid, high-performance industrial finishes.

Sales of Creslan acrylic fibers increased as price improvements offset a decline in volume caused by a weakness in the U.S. textile industry. Despite this weakness, textile chemicals also performed well.

The consumer products division consists of Shulton toiletries (including household products), Jacqueline Cochran prestige fragrances and Shulton International. Consumer product sales increased 5.3% to $519 million in 1981, up from $492 million last year. The sales figure represents 14% of the company's total sales for the fifth consecutive year. Operating earnings rose to $34 million up from $28 million in 1980.

The established prestige fragrances of Nina Ricci's L'Air du Temps for women and Goeffrey Beene's Grey Flannel for men had a banner year in 1981.

L'Air du Temps received $2.4 million in measured media spending with $1.9 million on spot tv and the rest on magazine ads. Grey Flannel got $688,800 with $359,100 on magazines, $257,800 on spot tv and the rest on newspaper supplements.

Pierre Cardin cologne for men received $2 million, mostly in spot tv.

Cie women's fragrance was transferred back to Shulton in 1981 after being handled by the Jacqueline Cochran division. Total media spending for Cie was $2.1 million in 1981, with most being allocated to network tv followed by spot tv and magazines.

Blue Stratos aftershave/cologne for men was successfully introduced in the United States in 1981. With a measured media budget of $6.4 million, $5 million was spent on network tv with emphasis on sports programing. The remainder went to magazines and spot tv.

The line was first launched abroad in 1975, and to a certain extent, the ad theme is borrowed from Shulton's overseas cousins. In preparation for U.S. entry, Dancer Fitzgerald Sample adopted the hang gliding focus concept, added new music and copy for the campaign that is themed, "Unleash the spirit . . . Blue Stratos for the free spirit in men."

Top 25 newspaper advertisers

Rank	Advertiser	Expenditures 1981	Expenditures 1980
1	R. J. Reynolds Industries	$142,344,700	$113,099,600
2	Philip Morris Inc.	90,602,700	77,624,200
3	General Motors Corp.	65,502,100	52,209,100
4	Loews Corp.	49,591,300	45,624,400
5	B.A.T. Industries PLC	45,909,600	13,644,800
6	Ford Motor Co.	31,989,700	24,379,500
7	Chrysler Corp.	30,955,700	21,320,600
8	RCA Corp.	29,536,900	25,122,100
9	Eastern Air Lines	23,670,000	20,160,700
10	Delta Air Lines	21,653,100	20,409,900
11	American Telephone & Telegraph	21,530,600	19,180,900
12	American Airlines	20,068,100	17,477,600
13	UAL Inc.	19,034,400	16,245,200
14	Pan American World Airways	17,984,300	13,902,300
15	Time Inc.	17,825,300	10,901,200
16	Trans World Corp.	17,354,100	17,546,100
17	CBS Inc.	15,822,600	14,969,100
18	Warner Communications	13,324,000	1,728,300
19	American Brands	13,243,100	16,816,500
20	Seagram Co. Ltd.	12,758,300	18,042,600
21	Toyota Motor Sales	11,229,100	7,023,300
22	American Broadcasting Cos.	10,270,300	11,899,800
23	General Electric Co.	10,065,400	12,128,400
24	Norton Simon Inc.	9,925,500	5,461,800
25	Dart & Kraft	9,788,100	6,683,300

Source: Media Records.

Shulton made a five-year, $1 million buy on cable tv's ESPN for Old Spice, Blue Stratos and Pierre Cardin men's products in 1981, becoming the biggest new client for the round-the-clock Entertainment & Sports Programming Network.

Old Spice, which commands a 21% share of the men's fragrance market, continues to increase in sales. Old Spice solid dry antiperspirant deodorant received $6.7 million.

Old Spice cologne for men totaled $5.3 million in media spending with $4.8 million spent on network tv and $525,900 going to spot tv. A new antiperspirant product, Lady's Choice, has completed successful test marketing and is being launched nationally in the U.S.

Last fall, American Cyanamid folded its household products division into Shulton toiletries leading to speculation that the company was planning on deemphasizing its consumer products division. Although company spokesmen have denied this, rumors still persist that the company is looking to sell off Breck haircare products.

Miss Breck hairspray, with 10% of the market share, had its ad budget cut to $1.8 million, with the bulk placed in network tv and the rest in spot tv. Last year the budget for Miss Breck hairspray was $3.5 million.

The over-all ad budget for Breck products was cut more than half for the second year in a row from $5.7 million in 1980 to $2.5 million in 1981.

Pine-Sol liquid cleaner continued as the No. 1 liquid cleaner in the U.S. in 1981. Pine-Sol continues to receive the largest ad budget of any product from the company with a budget of $7.3 million. About $5.9 million is spent on network tv and $1.4 million on spot tv. The cleaner is promoted in ads themed, "Pine-Sol cuts through grease better than any leading liquid cleaner."

Bowl Gard was introduced to join the Pine-Sol cleaner/disinfectant/deodorizer and subsequently got caught in the controversy surrounding toilet bowl cleaners containing the chemical calcium hypochlorite and never carved out a place for itself. It has been withdrawn from the market.

Although the U.S. market for laminates decreased from 1980 to 1981, sales and earnings of Formica brand products increased through strict management control, an effective cost reduction program and an expansion of the distribution network. Sales increased slightly in 1981 to $412 million, up from $406 million in 1980. Operating earnings were up to $33 million in 1981, accounting for 9% of the company total—an increase from $26 million in 1980.

New creative designs helped boost sales of Formica brand laminates in 1981. The group of Design Concepts laminates for commercial construction, introduced in the U.S. in 1980, contributed to the increased sales.

The Color Grid system of laminate color selection was introduced late in 1981 to the U.S. market. This system coordinates 72 colors in two separate grids and offers all designers and architects a logical, integrated method of matching and selecting colors. Early sales of the line have been ahead of forecasts.

The company is concentrating on product and design innovation, efficient management and aggressive marketing to place Formica brand laminates in a strong position to capitalize on the anticipated revival of the housing and construction industries.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$130,800	$159,600
Magazines	7,526,300	6,580,900
Farm publications	4,282,400	4,053,600
Spot tv	9,811,200	13,536,700
Network tv	30,651,900	19,293,900
Spot radio	2,371,400	1,322,600
Total measured	54,774,000	44,947,300
Unmeasured	83,226,000	80,052,700
Estimated total	138,000,000	125,000,000

AGRICULTURAL DIVISION

MARKETING PERSONNEL

T.J. Raser, adv mgr-pesticides
W.J. Reynolds, adv mgr-animal industry

ADVERTISING AGENCIES

Bergelt Advertising, New York—Poultry food prods, feed additives—E.C. Bergelt, acct supr.

Tucker, Wayne, Atlanta—Counter, Avenge, Prowl, Thimet—Robert Schaeffer, mgmt super; William Dickson, acct super; Dutch Versteegh, John Freebairn, acct execs.

Richardson, Myers & Donofrio, Baltimore—Animal industry prods—Cy Halada, acct super.

CONSUMER PRODUCTS SHULTON U.S.A. DIVISION

MARKETING PERSONNEL

R.G. Bryan, vp-mktg
J.J. Johnson, mgr, new prods
T.J. Kuhn, group prod mgr, lotion, cologne
R. Kellner, group prod mgr, hair prods
V.H. Sandham, group prod mgr, antiperspirants/deodorants
L.J. Lent, dir, mktg services
J.B. Gibbs Jr., director adv services

JACQUELINE COCHRAN INC. DIVISION

MARKETING PERSONNEL

A. Rowland, senior vp-mktg
F. Robinson, vp, mktg Ricci prods
M. McAuliffe, mktg director, new prods

ADVERTISING AGENCIES

Ted Bates Advertising, New York—Breck prods & Lemon Sol—Sheila Paterson, acct director; Ellen Feldberg, acct exec.

BBDO, New York—Pine-Sol, Bowl Gard, new prods—Lonnis Strum, acct super; Pamela Selby, Alex Carlin, acct execs; David Park, asst acct exec.

Dancer Fitzgerald Sample, New York—Old Spice deodorant, Lady's Choice deodorant, Cie, Blue Stratos—Barbara Gyde, Michael Leahy, acct supers; Gay Clark, mgmt super; Barbara Bergsen, acct exec.

Sacks & Rosen, New York—Ricci, Cardin, Carven—Leonard Sacks, Michael Rosen, mgmt supers; Rob Brello, creative director.

FIBERS DIVISION

MARKETING PERSONNEL

W. DeMartine, mgr
Jeanne Budde, mgr-mktg communications

ADVERTISING AGENCIES

Grey/Conahay & Lyon, New York—Creslin-Mary Devlin, acct exec.

FORMICA CORP.

MARKETING PERSONNEL

James Plumpton, vp
V.P. Langon, mktg director
R.H. Kilbury, communications mgr

ADVERTISING AGENCY

Michael R. Abramson & Associates, New York—Michael Abramson, president.

SHULTON INC. INTERNATIONAL DIVISION

MARKETING PERSONNEL

I.A. Forsythe, director of mktg
G.F. Hardy, mktg director CAFE
M.T. Pursell, mktg director CEMA
Roland Vigue, mgr mktg services

INDUSTRIAL PRODUCTS DIVISION

MARKETING PERSONNEL

M.R. O'Rourke, mgr, adv & sales promo

ADVERTISING AGENCY

Hazard, Barbetta & Miller, Fairfield, N.J.—Tom Brogan, acct exec.

LEDERLE LABORATORIES

MARKETING PERSONNEL

Pharmaceutical Department

R.F. Saydah, genl mgr-Lederle Pharmaceuticals dept
David Bethune, director, prod mgmt
R.M. Lynch, director mktg proprietary prods

Davis & Geck Department

T.R. Lind, genl mgr
D.P. Pfarr, director prof relations

ADVERTISING AGENCIES

Carrafiello, Diehl & Associates, Hudson, N.Y.—T. Sweeney, acct exec.

Klemtner Advertising, New York—Gavin Scotti, acct super.

Rolf Werner Rosenthal Inc., New York—Herb Messinger, mgmt acct super; Rob Recobs, acct super.

Dugan/Farley Communications, Montvale, N.J.—E. John Farley, exec vp.

CHEMICAL PRODUCTS DIVISION

MARKETING PERSONNEL

M.R. O'Rourke, mgr adv & sales promo

ADVERTISING AGENCY

Hazard, Barbetta & Miller, Fairfield, N.J.—Tom Brogan, acct exec.

ORGANIC CHEMICALS DIVISION

MARKETING PERSONNEL

G.W. Busch, color prods mktg mgr
S.G. Manolakis, asst mktg mgr
G.M. Ruhf Jr., plastic additives mktg mgr
M.P. DiGiamao, intermediates mktg mgr
F.G. Pinto, specialty elastomers mktg mgr
P.A. Signoretti, rubber chemicals mktg mgr
J.S. Druzbacky, textile chemicals mktg mgr
E.W. Galloway, phosphines mktg mgr

ADVERTISING AGENCIES

Foss & Evers, Franklin Lakes, N.J. Chemical Light—C. Chiappori, acct exec.

J.M. Kesslinger & Associates, Newark, N.J.—Phosphines, Specialty Elastomers and Rubber Chemical—J.M. Dietz, acct exec.

Wildrick & Miller, Inc., New York—Textile Chemical and Organic Intermediates—W. Doyle, acct exec.

CYANAMID EUROPE/-MIDEAST/AFRICA AND CYANAMID AMERICAS/-FAR EAST DIVISION

MARKETING PERSONNEL

Medical Products

K.M. Sethna, director mktg planning-CEMA
D.H. Shepherd, mktg mgr Davis & Geck-CEMA
B.L. Moore, mktg rsch mgr-CEMA
R.A. York, mgr training & adv productions-CEMA
D.M. Leech, director-mktg, CAFE
W.D. Hough, mktg mgr Lederle-CAFE
M.G. Woosley, mktg mgr Davis & Geck-CAFE
E.F. Steinhauser, mktg rsch mgr-CAFE
L.R. Nadal, adv production mgr-CAFE

ADVERTISING AGENCIES

AM/PM Advertising, Newark, N.J.—R. Saks, R. Hodes, partners.

D.M. Advertising, New York—D.F. McGuillicuddy, president.

Klemtner Advertising Inc., New York—L.A. Davies, acct super.

Landi & Handler, New York—M. Handler, acct exec.

Naimark & Barba, New York—G.M. Naimark, president; D. Barba, art director.

MARKETING PERSONNEL

Chemicals

Dr. J.B. Bell, director mktg rsch chemicals-CAFE/CEMA
B. Coopersmith, director organic prods-CAFE
C.C. Corcoran, director water treatment mining & paper chemicals-CAFE
R.A. Roeder, director chemicals-CEMA

ADVERTISING AGENCY

Rebell International—Warren Rebell, president.

American Express Co.

	1981	1980
Sales	$7,211,000,000	$6,386,000,000
Earnings	518,000,000	462,000,000
Advertising*	76,036,700	63,000,000

*AA estimate

Last year proved to be a

highly productive one for American Express Co., New York, the 71st largest national advertiser. The company recorded its 34th consecutive year of earnings growth, the average share gaining 40¢. American Express revenues worldwide increased 13% last year, reaching $7.2 billion, while consolidated assets climbed to $25 billion. The company's net income rose sharply by 12%, totaling $518 million.

American Express' domestic advertising expenditures were up 20.7% from 1980 to an estimated $76 million. Worldwide, the company's advertising and promotional expenditures totaled $254 million.

Perhaps the most significant corporate move in 1981 was the merger with Shearson Loeb Rhodes, the second-largest securities company in the U.S. The addition strongly bolstered American Express' position in the evolving financial services industry. The merged unit promptly became one of the four units in a newly reorganized American Express that now includes American Express Travel Related Services; Fireman's Fund Insurance; American Express International Banking Corp., and Shearson/American Express Inc.

Within the collective effort, certain other key American Express developments in 1981, relating to the company's four business units, prominently advertised services and products, are as follows:

American Express Travel Related Services Co.: TRS net income rose by 18% in 1981, hitting $209 million, while revenues were $2.2 billion. TRS reorganized Card and Travelers Cheque divisions, representing two of the most widely identified products in the American Express family into a new entity, the Consumer Financial Services Group (CFS), to enable the company to develop and market integrated financial services as well as single products.

The American Express Card, despite rising interest rates and consumer costs worldwide, improved its membership base 12%, totaling 13.3 million cardmembers. Also, three new foreign currency cards were introduced in 1981: Thailand, Ireland and Brazil. Advertising to support the card represented expenditures of $26.2 million with $12.3 million spent on network tv, $7.5 million on spot tv and $6.2 million on magazines.

Early in 1982, American Express began a "Good Samaritan" marketing strategy that uses newspaper ads in certain cities to tie its card's usage to fund-raising needs of a local charity. Ads announced that each time the card was used locally over several months, an important community activity would receive 3¢ from Amex. Test campaigns helped such causes as the Neighborhood Arts program in San Francisco and the ballet in Dallas. Card transactions in Washington, D.C. were earmarked to help the maintenance of historic Mt. Vernon.

The company's Gold Card program increased membership by 29% to 2 million. Over-all, at year's end some 558 million establishments worldwide honored the American Express Card, up 27% from 1980.

American Express enhanced its existing travelers cheque product in 1981 by adding five new services, at no additional cost, for refund claimants in the U.S., Canada, Virgin Islands and Puerto Rico. These were check cashing, credit card cancelation assistance, temporary I.D. card, reservation assistance and message service. Advertising to support this program represented $13 million in expenditures for 1981.

Also, a number of new American Express Traveler Cheque partnerships were established overseas—including agreements with Lloyd's Bank in the U.K., the Dutch Postal Office and German savings banks. In addition, the Bank of China was authorized to sell and refund travelers cheques in the People's Republic of China.

Developments in the travel division included acquisition of Haley Corp., a San Francisco-based travel agency with sales of nearly $50 million. A new commercial business unit was also created to better serve the corporate traveler. American Telephone & Telegraph joined the Corporate Card program as the largest account ever, raising the total Corporate Card membership to 1.2 million. Also, a new, convenient Business Travel Account was introduced, permitting corporate clients to charge all airline travel to a single American Express card account. Ad expenditures in 1981 for the Corporate Card program were $106,400.

Shearson/American Express: Net income for the year jumped 25% over 1980, to $107 million while revenues were up to $936 million. Fiduciary service soared 252% to $30 billion, due mainly to Shearson's acquisition of the Boston Co., a 110-year-old Massachusetts holding company. In a highly volatile stock market, Shearson remained the largest maker of over-the-counter purchases. The company's Real Estate Corp. managed $325 million in residential mortgages, despite steep interest rates and a depressed housing market.

With the merger completed on June 29, 1982, Shearson/American Express launched a dramatic awareness campaign with spots on prominent tv programs such as the Super Bowl XVI.

In other developments, gold and foreign exhange trading were expanded to 24 hours daily in the New York, London, Hong Kong and Singapore offices, while new domestic offices were opened in cities including Birmingham, Knoxville, Sebring, Fla., and Wichita, giving Shearson 248 offices in 217 U.S. cities. And, to qualifying real estate clients, Shearson introduced a floating credit line on home mortgages, with no prepayment penalties.

Most recently Shearson/American Express added two regional brokerages to its organization. Foster & Marshall, a Pacific Northwest regional investment banking company based in Seattle with 52 offices, was acquired on March 23, 1982. Also, Shearson agreed in principle to acquire Robinson-Humphrey Co., an Atlanta-based regional investment company. This transaction is expected to be completed this summer.

Fireman's Fund Insurance Companies: Net income reached $231 million and total revenues rose to $3.1 billion—both substantial increases from a year ago. Gross investment for the year was up 13% to $351 million.

In efforts to keep up with rapidly expanding international markets, the Fund established a new subsidiary, the San Francisco Reinsurance Co., to pursue new business overseas. It also joined with seven other international companies to form a Singapore-based reinsurance company, which will focus on the Pacific Basin and other parts of Asia. Domestically, the Fund began a major push to help independent agents develop automated data and computer systems. An extensive list of new rural markets was organized to concentrate on insuring America's agribusiness. And a large-scale reorganization was started within the Fund's property-liability operations, thus freeing independents for much-needed individualized marketing programs.

Warner Amex Cable Communications: A 50/50 joint venture of American Express Co. and Warner Communications, Warner Amex registered strong gains last year throughout its 146 cable tv systems nationwide. Subscribers jumped 17% to 863,000 in 27 states, while major franchise approvals were granted for suburban Chicago, Queens and Brooklyn, N.Y., Winter Haven, Fla., and Houston. Warner Amex was also awarded the exclusive franchise for Dallas—the largest single municipal cable award in the industry, with 400,000 homes. Qube, Warner Amex's two-way interactive service, was inaugurated last year in Cincinnati and over the next several years will begin operating in Pittsburgh, Dallas, Houston, St. Louis and Chicago. The Warner-Amex Satellite Entertainment Co. (WASEC), already the largest single seller of national cable advertising, reached agreement with Turner Broadcasting to represent all advertising sales for that system's highly successful Cable News Network (CNN) and CNN2.

WASEC introduced a new satellite-delivered service last summer—"MTV: Music Television"—ordered by cable systems serving over 3.6 million households in 1981. The 24-hour a day service offers stereo music with related video productions. Distributed free to basic subscribers, the service received significant advertiser support. "Nickleodeon," WASEC's young people's channel, experienced large subscriber gains in 1981. The channel reached 6.3 million subscribers, an increase of 135% from 1980. "The Movie Channel," is also satellite delivered. The service features only current films 24-hours a day. Carried by 1,700 cable systems, the number of subscribers totaled 1.7 million in 1981, an increase of over 188% from last year.

American Express International Banking Corp: AEIBC was active in pursuing expanded long-range foreign business, opening new offices in Istanbul and Mexico City. Wholesale Banking Operations set up a new marketing arm in Singapore to service product development throughout Southeast Asia. Also introduced was Datamex—a cash balance and account reporting service for clients' corres pondent bank holdings in the U.S. Latin American transactions were especially strong in 1981, as was project financing in Nigeria, Saudi Arabia and Portugal. One major development was the $40 million financing of a major petrochemical plant expansion in the People's Republic of China—the first syndicated loan ever guaranteed by a Chinese municipal authority.

American Express' two publications enjoyed growth in 1981: *Travel & Leisure* posted ad revenues up 20% and ad linage up 13%. *Food & Wine*, produced by an affiliate of the publishing division, increased its ad rate base 50% to 300,000. In 1982, advertisers who bought space in the same issue of the two magazines, beginning with the February issues, were offered a 10% discount under The Lifestyle Impact plan.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$6,429,600	$2,797,300
Magazines	6,952,600	6,145,300
Spot tv	9,497,900	11,343,900
Network tv	25,434,700	18,725,300
Spot radio	1,440,100	1,628,800
Network radio	1,033,700	933,400
Outdoor	1,100	4,800
Total measured	52,794,700	41,578,800
Unmeasured	23,242,000	21,421,200
Estimated total	76,036,700	63,000,000

MARKETING PERSONNEL

Card Division

Michael Strauss, senior vp-mktg

Richard D. Rosenbloom, vp-adv

Robert Gilman, senior vp-service establishment mktg & sales

Travel Division

Michael L. Musgrave, vp-adv & sales promo

Travelers Cheque Division

Edward J. O'Hare, senior vp-U.S. mktg & sales

Tom Cash, vp-mktg

Barbara Ehrlich, adv director

ADVERTISING AGENCIES

Ogilvy & Mather, New York—card, travel, intl banking, travelers cheque services—Kenneth Roman, president; Brendan Ryan, senior vp-acct director; John Heston, Shelly Lazarus, Michael Newbrand, mgmt supers.

Cunningham & Walsh, San Francisco—Fireman's Fund—Emory Winship, acct super.

McCann-Erickson, New York—Gold Bank Card—Ian Hooper, senior vp-mgmt rep.

Top 25 magazine advertisers

Rank	Advertiser	Expenditures 1981	Expenditures 1980
1	Philip Morris Inc.	$102,835,100	$ 79,326,700
2	R. J. Reynolds Industries	89,264,400	118,530,200
3	Seagram Co. Ltd.	67,598,500	70,624,500
4	General Motors Corp.	65,437,100	55,478,600
5	B.A.T. Industries PLC	61,167,800	32,823,900
6	Sears, Roebuck & Co.	59,725,500	32,057,700
7	Ford Motor Co.	55,077,200	35,918,500
8	General Foods Corp.	37,165,200	34,170,100
9	Loews Corp.	36,486,400	38,210,100
10	Time Inc.	36,455,200	35,611,800
11	Procter & Gamble Co.	35,737,400	37,162,300
12	American Telephone & Telegraph	35,167,200	34,521,100
13	American Brands	34,947,000	34,233,900
14	Dart & Kraft	31,175,900	27,538,200
15	CBS Inc.	29,652,000	29,833,200
16	RCA Corp.	27,329,500	24,176,800
17	Chrysler Corp.	25,197,200	16,387,300
18	E. I. du Pont de Nemours & Co.	25,190,400	21,701,600
19	Volkswagen of America	24,473,500	21,708,600
20	Bristol-Myers Co.	23,646,500	18,386,700
21	Hiram Walker Resources Ltd.	23,230,600	17,572,400
22	Johnson & Johnson	22,516,600	18,359,700
23	Norton Simon Inc.	21,486,000	17,278,100
24	Warner Communications	21,001,700	3,859,500
25	Liggett Group	19,788,200	12,524,500

Source: Leading National Advertisers, farm publications not included.

American Home Products Corp.

	1981	1980
Sales*	$4,131,237,000	$3,798,524,000*
Earnings*	297,332,000	445,889,000
Advertising**	209,000,000	197,000,000

**AA estimate

American Home Products, the nation's 16th largest advertiser, increased its U.S. advertising in 1981 to an estimated $209 million, a 6.1% increase over the previous year, which brought advertising expenditures back to 1979 levels.

The company continued to show record sales and earnings, with sales increasing by 9% and earnings 12% over 1980.

Earnings continued to post strong gains during the first quarter of 1982, increasing 14% to $145.1 million from $127.5 million in the comparable quarter a year ago. First-quarter sales rose 6%, to $1.11 billion from $1.1 billion last year. First-quarter data included the operations of the Sherwood Medical Group, which AHP acquired from Brunswick Corp. in March 1982 for about $425 million. The purchase of Sherwood underscores AHP's commitment to its prescription drug divisions.

In 1981, both prescription drugs and Brach candy sales led U.S. sales, and in fact posted better U.S. sales growth than foreign. Just the opposite held true a year ago. Foreign sales,

Top 25 spot radio advertisers

Rank	Advertiser	Expenditures 1981	Expenditures 1980
1	Chrysler Corp.	$50,760,500	$49,366,600
2	Anheuser-Busch Cos.	34,432,200	27,399,700
3	General Motors Corp.	32,431,100	32,159,400
4	Ford Motor Co.	32,199,600	19,599,000
5	Philip Morris Inc.	18,113,200	11,107,300
6	American Telephone & Telegraph	16,367,100	11,942,200
7	U.S. Government	13,374,900	12,708,200
8	Coca-Cola Co.	12,480,500	9,988,400
9	PepsiCo Inc.	11,416,600	8,649,600
10	Delta Air Lines	10,310,200	8,044,500
11	Greyhound Corp.	8,766,000	2,552,100
12	Jos. E. Schlitz Brewing Co.	8,343,300	5,894,400
13	UAL Inc.	8,421,300	8,148,900
14	Adolph Coors Co.	8,274,000	3,197,600
15	K mart	7,884,400	8,549,400
16	Southland Corp.	7,804,600	8,131,700
17	Nissan Motor Corp. U.S.A.	7,666,800	5,850,400
18	Fotomat Inc.	7,472,700	5,792,900
19	Van Munching & Co.	7,155,600	5,501,900
20	Eastern Air Lines	6,967,800	5,342,100
21	American Airlines	6,763,600	7,977,400
22	MCA Inc.	6,446,600	4,899,600
23	General Foods Corp.	6,422,600	5,473,400
24	Dart & Kraft	6,200,100	5,495,700
25	Sears, Roebuck & Co.	6,181,900	2,543,400

Source: Radio Advertising Bureau and Radio Expenditure Reports.

representing 34% of gross sales at AHP, recorded a slight 3% rise in 1981, to $1.39 billion from $1.34 billion in 1980. Sales in this area were adversely affected by the decline in foreign exchange rates.

Prescription drug sales once again accounted for the bulk of company sales and earnings—42% of total sales and 57% of earnings. In 1981 the unit posted sales of $1.737 billion with operating income before taxes of $548.7 million.

In addition to the acquisition of the Sherwood Medical Group, AHP is accelerating its research and development efforts in the pharmaceutical arena. R&d expenditures have increased from 1979 to 1981 at a compound annual rate of 16% while sales were increasing at a 10% rate. For 1982 the planned increase in r&d expenditures is greater than the average for the last three years. Some current projects include seeking therapeutic compounds in the fields of cancer, cardiovascular diseases and diabetes.

In 1981, AHP signed two agreements with European pharmaceutical companies to pursue various research efforts. Ayerst Labs' Inderal was found effective in preventing deaths among patients who suffered heart attacks, according to a study released by the National Heart, Lung and Blood Institute. The division launched its first major consumer campaigns for over-the-counter products. Both Riopan Plus antacid and Beminal Stress Plus vitamins received spot tv support, Riopan getting $266,800 and Beminal $71,200. Distribution of Riopan was expanded to food outlets in preparation for a national tv ad campaign. Dermoplast Anesthetic Spray, for sunburn pain relief, also received consumer support, $126,500 in magazines.

Wyeth Laboratories received some adverse publicity earlier this year when it recalled 2.3 million cans of SMA infant formula, due to an uncertainty that they contained the amounts of vitamin B6 required by federal law. The company had also recalled Nursoy Ready to Feed and Nursoy Concentrate, which had been mixed without any vitamin B6.

While prescription drugs continued to be the brightest star in AHP's stable, advertising is basically confined to trade journals and marketing to physicians.

The company division hit hardest in ad expenditures in 1981 was its Whitehall Laboratories' line of packaged medicines. The division accounted for $565.9 million or 14% of total sales and pretax income of $118.9 million.

Interestingly, two products that received a sizable share of Whitehall's advertising dollars—Anacin and Preparation H—have been involved in court battles over their and other companies' ad claims.

The Anacin franchise received the bulk of ad dollars, with spending slightly above 1980's $43.5 million to $44.8 million. The company is in the midst of a court battle over an FTC ruling that AHP must have rigorous scientific support for claims regarding Anacin and its other analgesics. The ruling also requires that the products containing aspirin must disclose that ingredient as the pain reliever, eliminating blind references to "the pain reliever most recommended by doctors."

With the bulk of the ad dollars going into network tv, AHP is hard pressed to increase its 12.3% market share in the analgesic market against competitor Tylenol, with 31% of the market.

Going after that market, Anacin 3 nonaspirin tablets had the support of $6.6 million, trailing only behind the $27.5 million spent on Anacin tablets and capsules. Both the capsule and the aspirin-free markets offer the greatest areas of growth for otc marketers.

The company began a national rollout in January of aspirin-free maximum strength Arthritis Pain Formula, with advertising by Kornhauser & Calene, New York.

Preparation H also was involved in a court battle, but this time on the offensive. AHP took out a lawsuit against Abbott Laboratories, challenging the company's introduction of its hemorrhoid remedy, Tronolane. Preparation H has a stronghold on the hemorrhoid remedy business, with an estimated 63% market share. AHP disputed Tronolane's wording in several instances and the agreement reached at the end of 1981 stipulated that Tronolane ads state "relieves pain immediately," rather than "stops pain immediately." Abbott also has to refer to the product as a "new product" rather than a "new treatment." Consumer preference testing may be continued by Abbott.

The challenger budgeted more than $6 million in advertising time and distributed 31 million mail-in sample offers to introduce Tronolane to the estimated 25 million hemorrhoid sufferers. By the September/October auditing period, Tronolane had attained a 9% dollar share of the $100 million category, with Preparation H's 63% share whittled down to 56%. Other challengers include Bristol-Myers' Hemtrex and Upjohn's Cortef.

Preparation H's ad support increased in 1981 to $14.6 million from $10.8 million in 1980, which had been a drop-off from 1979 levels. AHP also has formulated an entry in this market with hydrocortisone, Prepcort cream, which received $619,800 in ad dollars, mostly on network tv.

Dristan's ad spending increased to $23.7 million from 1980's $21.2 million, although it is still below 1979 levels. Market share continues to hold at 11.4% and analysts say that without major flu outbreaks, marketers of cold remedies over-all will only attain 1% to 2% annual unit growth. The company did introduce a new 12-hour relief formula in the Dristan spray line.

Several new products were introduced by Whitehall in 1981. Diet Gard appetite suppressant entered the weight control market with a program that combines diet pills with a nutritional supplement. The supplement received $1.1 million in ad dollars, with $9 million on network tv and the remainder in magazines and spot tv. The appetite suppressant capsules were introduced with $171,600 in magazines.

Spending on Denorex medicated shampoo continued to increase, from $2.8 million in 1980 to $3.3 million in 1981. AHP went national with Denorex shampoo and conditioner, with the two benefits previously unavailable in a single product.

Testing of Youth Garde moisturizer continued in spot markets. Multimedia support is estimated at a $3.5 million rate, handled by Kornhauser & Calene.

AHP's second-largest ad spender was the home products and housewares group. The division showed a 4% increase in sales, to $1.04 billion from $997.3 million. Pretax income declined by 1%, to $110.1 million from $111.5 million. The decrease is attributed to the decline of the Prestige affiliate in the United Kingdom, a line of housewares, and the cost of plant consolidation in the U.S. and U.K.

The group consists of Boyle-Midway, Dupli-Color, Ekco Housewares & Products, The Prestige Group Ltd. and E-Z Por.

Boyle-Midway's group of home products saw their ad expenditures increase after a downturn in 1980. The two leaders in the field, Woolite cold water wash and Pam cooking spray, have benefited from manufacturers' recommendations and recipe recommendations. Woolite's ad budget grew from $8.9 million to $9.4 million, as the cold water wash continued to lead the division in sales. Pam's dry cooking sprays also saw an upturn in ad expenditures, from $6.1 million to $7.6 million.

Wizard air fresheners and Fire Starters exhibited a drop in spending, decreasing from $4.7 million to $2.5 million. Wizard Island Flower, a new aerosol fragrance, was introduced nationally.

By comparison, the Sani-flush line of toilet bowl cleaners regained its competitiveness in the burgeoning area, increasing its ad budget from $1.9 million to $4.1 million. Boyle-Midway introduced Sani-flush automatic 4-month in-tank bowl cleaner. The four-month cleaners have accumulated approximately a 40% dollar share of the automatic in-tank segment of the toilet cleaner category.

New products include Aerowax Pine 'n Shine, which is being test marketed in several cities, and Black Flag Dead Aim ant and roach killer.

Ekco's media expenditures continued to fall, from $2.2 million to $1.9 million. In the products line, Ekco is moving into supermarket sales with Ekco's Showcase line of clear plastic containers and lids. Foil containers also have been designed for bulk salads and layer cakes. In housewares Ekco has added all-nylon kitchen tools to its kitchen helper line and Cool Tools has increased sales in barbecue tools.

American Home Foods, which includes Chef Boy-Ar-Dee and Brach candy items, had sales of $790 million on pretax income of $104 million, up from the $724 million and $84 million shown in 1980. Advertising remained basically the same, in the mid-$15 million range. The company introduced Zooroni, animal-shaped macaroni in tomato sauce, with or without meatballs, aimed at young children. Five new main meals and one new snack item went into test markets. Upgraded label designs were developed for a number of products.

The Brach candy business, with a 16% sales increase, was the major factor in the 25% increase in operating profit for the food and candy segment. Spending grew from $3.6 million to $4.8 million. Network tv was added to the advertising schedule, with magazines still receiving the majority of the dollars. The number of spot tv markets was increased from 54 to 59.

A new line of candies in hanging bags, the Impact Line, was introduced in 1981, featuring 37 of Brach's most popular candies. Chelsea Chips, a chocolate-covered toffee candy, was expanded from regional to national distribution. Teaser Beans, a new jelly bean, was also introduced nationally.

In other maneuvers, AHP gutted its in-house agency in early 1982. Everything except media buying has moved to five AHP agencies.

The company had reached outside agencies for advice on the problems of several brands, including Anacin, whose unit share has dropped from 21% to 13%. Soon after that, Murray's president, Frank Donino, left. Immediately on his heels Murray was disbanded.

Industry observers said Murray was constrained both fiscally and creatively. They also said there is no difference between the quality of work between house agencies and outside firms.

AHP was ranked No. 3 by the Television Bureau of Advertising in tv spending, behind P&G and General Foods. The company spent about $172 million on net and spot tv, up 9% from 1980.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$1,681,200	$1,361,200
Magazines	10,262,200	9,357,700
Farm publications	510,500	448,700
Spot tv	40,376,700	36,433,400
Network tv	131,449,800	128,911,900
Spot radio	1,840,200	5,303,500
Network radio	4,135,100	3,471,800
Total measured	190,264,700	180,288,300
Unmeasured	18,776,000	16,711,800
Estimated total	209,000,000	197,000,000

AMERICAN HOME PRODUCTS

New York

MARKETING PERSONNEL

William F. Laporte, chairman, exec committee
John W. Culligan, chairman
John R. Stafford, president
Marvin E. Schmalzried, senior vp
George DeMott, vp
Ernest Harper, vp
John Horsman, vp
Albert Pezzillo, vp

WHITEHALL LABORATORIES

New York

MARKETING PERSONNEL

Stanley F. Barshay, president
G. Prince, vp-mktg
W. Tauriello, vp-mktg
L.R. Yates, vp-new prod devel
Steve Kubinski, adv director

ADVERTISING AGENCIES

Rosenfeld, Sirowitz & Lawson, New York—Maximum Strength Anacin, Oxipor, Bronitin, Semicid, Freezone, Infra-Rub—Sid Lawrence, mgmt super; Debra Foreman, Kevin Heffernan, acct supers.

William Esty Co., New York—Anacin, Anacin 3, Anbesol, Compound W, Dristan tablets, Aspirin-Free Dristan tablets, Momentum, Quiet World, Viro-Med—George Biava, mgmt super; Edgar Peck, R. Black, Tom Paratte, acct supers.

John F. Murray Advertising Agency—responsible for all AHP network and spot broadcast time.

Kornhauser & Calene, New York—Arthritis Pain Formula, Preparation H, Trendar, Sudden Beauty, Denalen denture cleaner, Bisodol, Dry & Clear, Outgro, Denorex medicated shampoo, Dristan Long Lasting nasal mist and vapor spray, Heet, Neet, Predictor, Primatene—Allen Yarnoff, mgmt super; Jim Harragan, Ric Kornhauser, acct supers.

BEST AVAILABLE COPY

FRANKLIN LABORATORIES

Denver

Richard L. Wilde, president
John D. Baker, vp-mktg

ADVERTISING AGENCY

Ad Print, Elmhurst, Ill.—Larry Josephson, mgmt super.

AMERICAN HOME FOODS

New York

MARKETING PERSONNEL

D.P. Jaicks, president
T. Host, vp-mktg
K.H. Becker, vp-mktg services
Bill O'Brien, vp-prod mgmt
Jules Newberger, adv director

ADVERTISING AGENCIES

Young & Rubicam, New York—Chef Boy-ar-dee, Dennison's—Mat Crisci, mgmt super; Jordan Stanley, acct super; C. Ponzio, C. Valenda, acct execs.

Cunningham & Walsh, New York—Gulden's mustard, G. Washington's seasoning and broth, Jiffy popcorn, Franklin nuts, Crunch 'n Munch popcorn, Luck's Food—Steve Tart, mgmt super; Cathy Mendell, acct exec.

Kornhauser & Calene, New York—Chef frozen prods, Tin & Glass pizza sauces, Pizza Magic—J. Caldwell, mgmt super; R. Hirsch, acct exec.

E.J. BRACH & SONS

Chicago

MARKETING PERSONNEL

Ned E. Mitchell, president
R.B. Hecklau, senior vp-mktg & sales
Richard G. Secrist, vp-mktg
S.R. Thompson, vp-natl sales mgr
Robert C. Wells, vp-special accts & trade relations
Robert J. Urban, new prod mgr

ADVERTISING AGENCY

BBDO, Chicago—Harry Ellsworth, acct super.

BOYLE-MIDWAY

New York

MARKETING PERSONNEL

Donald G. Grummer, president
Chris duLaney, vp-mktg
R. Kubl, vp-new prods
Joe Palminteri, Ellen Schapps, Jack Shepherd, George Wooley, group prod mgrs
Ed Kolodny, director—new prods
Ken Lagana, adv director

ADVERTISING AGENCIES

Cunningham & Walsh, New York—Antrol, Aerowax window cleaner, Pine & Shine, Depend-O, Diaper Pure, H2R rug shampoo, Snarol, Wizard Charcoal Lighter, Woolite, Woolite rug cleaner—Steve Tart, mgmt super.

Kornhauser & Calene, New York—Sani-flush, Griffin Shoe Polish, Black Flag, Easy-Off—Henry Kornhauser, president; Ron Herlihy, Jack Rothenberger, acct super.

Arthur Meyerhoff Associates, Chicago—Pam, Aero-shave, Quick Dip, Wizard air freshener—Bob Pingrey, mgmt super.

Hicks & Greist, New York—Noxon, Sani-Flush 4 Month, Sani-Flush-in-Tank, Zud, 3-in-One Oil, Plastic Wood, Easy-On Starch, Old English polishes, Golden Touch, Savor—Ken Silvers acct super.

DUPLI-COLOR PRODUCTS

Elk Grove Village, Ill.

MARKETING PERSONNEL

R.R. Miller, president
Fred Freiden, vp-mktg

ADVERTISING AGENCY

Jack Levy & Associates, New York—Allan Lieberman, acct exec.

EKCO HOUSEWARES CO.

Chicago

MARKETING PERSONNEL

Z. George Zephries, president
L. Blair, vp-mktg, sales & pr
Jack Theobold, adv mgr
J. Cline, group prod mgr-bakewares, kitchen tools and gadgets
E. Black, vp-mktg
T. Landy, mktg mgr dept & hardware lines

ADVERTISING AGENCY

William Esty Co., New York—John Scott, mgmt super; Stan Joyce, senior acct exec; Karen Tully, acct exec.

ECKO PRODUCTS CO.

Chicago

MARKETING PERSONNEL

Packaging Group

L.W. Schumm, president
Ed Heiser, vp-mktg & sales
Jan Schuh, adv mgr

GLACO Group

J. Morris, president
A. Inzerillo, vp-sales & mktg

ADVERTISING AGENCIES

Jaqua, Grand Rapids, Mich.—packaging group.

Mills, Fife & MacDonald, Des Plaines, Ill.—GLACO.

AYERST LABORATORIES

New York

MARKETING PERSONNEL

W.L. Davis, president
A. Somm, vp-operations
Jay St. John, exec vp-operations

ADVERTISING AGENCIES

Sudler & Hennessey, New York—Antabuse, Fluothane, Gristactin, Inderal, Inderide, Auralgan, Sonacide Premarin—T. Fochetta, vp-mgmt super; Paul Trunk, mgmt super.

Klemtner Advertising, New York—Antromid-S, Kerodex, Riopan, Riopan Plus, Beminal Family, Mysoline—J. Conlan, vp-group super; Jack Slonoker, acct super.

WYETH LABORATORIES

Radnor, Pa.

MARKETING PERSONNEL

Richard Bigash, president
Charles H. Brantley, vp-mktg
John Spitznagle, vp-director of promo

ADVERTISING AGENCIES

William Douglas McAdams, New York—Oral, Lo-Oral, Phenergan, Tubex.

Kallir, Phillips, Ross, New York—Ativan, SMA, Nursoy, Collyrium.

Sieber & McIntyre, Chicago—Cyclapen.

IVES LABORATORIES

New York

MARKETING PERSONNEL

T. Cavanaugh, president
J. Donovan, vp-asst director mktg
Joseph Flaherty, vp-finance
Herbert Loewnkron, sr vp-mktg
Paul Flagg, adv mgr

ADVERTISING AGENCIES

Robert A. Becker Inc., New York—Cerubidine, Isordil—Raymond Perry, Nick Lorenzo, acct supers.

Klemtner Advertising, New York—Cyclospasmol, Synalgos-DC, Orudis—Gary Gemian, acct super.

Wesson, Choen, Menglia, New York—Surmontil, Sectral—Bob Beckman, acct super.

FORT DODGE LABORATORIES

Fort Dodge, Ia.

MARKETING PERSONNEL

Thomas W. Freeze, president
O.W. Whitcomb, director of mktg
W.E. Ryan, director of adv

ADVERTISING AGENCY

Sander Allen Inc., Chicago—Cecil Barge, acct super.

American Honda Motor Co.

	1981	1980
Sales*........	$7,945,401,000	$7,070,903,000†
Earnings*....	277,177,000	$330,620,000†
Advertising**	68,346,800	54,339,063

*Worldwide; fiscal 1982 ended Feb. 28, 1982
**For calendar years
†AA estimate

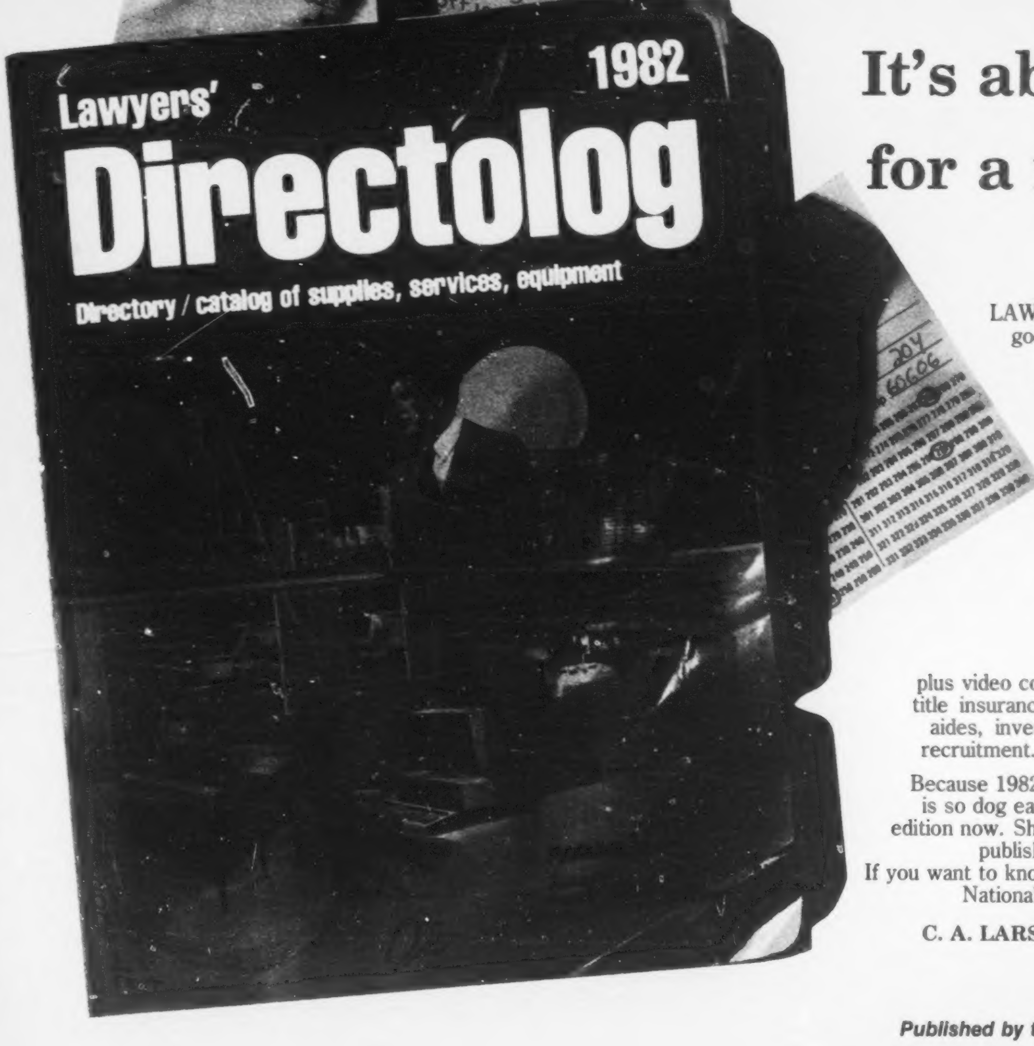
American Honda Motor Co., Gardena, Cal., the 78th largest national advertiser and the third largest auto importer in the U.S., is a wholly owned subsidiary of Honda Motor Co. Ltd., Tokyo, Japan.

The U.S. unit is estimated to have increased its total ad spending for calendar 1981 to $68.3 million, up 25.7% from the $54.3 million in 1980.

The company, which markets Honda automobiles, motorcycles and a line of consumer power products, posted a 12% gain in worldwide sales for its fiscal 1982, with about 71% of its consolidated net sales made outside Japan. However consolidated net income for the year dropped to $277 million, a decline of 16% from the record high of the previous year, reflecting a depressed world economy and higher sales promotion expenses in Japan.

Honda cars continued to sell well in world markets, thanks in part to their fuel-efficient engines and the front-wheel-drive technology, which has been a

Used and Abused



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8639

Top 25 network radio advertisers

Rank	Advertiser	Expenditures 1981	Expenditures 1980
1	Nabisco Brands	$10,554,900	$ ———*
2	Sears, Roebuck & Co.	10,340,200	5,366,500
3	Jeffrey Martin Inc.	8,459,500	7,436,000
4	American Telephone & Telegraph	7,299,500	5,936,900
5	U.S. Government	7,293,900	3,249,700
6	Warner-Lambert Co.	6,061,400	4,878,300
7	Dow Jones & Co.	5,611,900	3,418,500
8	General Foods Corp.	5,582,000	4,194,200
9	General Motors Corp.	5,428,000	3,718,500
10	Wm. Wrigley Jr. Co.	5,166,700	1,478,300
11	Phillips Petroleum Co.	5,155,000	3,279,700
12	Cotter & Co.	4,922,900	5,693,100
13	Ford Motor Co.	4,368,600	5,559,800
14	Sterling Drug	4,321,500	6,699,700
15	Campbell Soup Co.	4,280,400	2,923,300
16	American Home Products Corp.	4,135,100	3,471,800
17	Anheuser-Busch Cos.	3,825,100	2,554,800
18	CBS Inc.	3,260,300	3,443,100
19	McDonald's Corp.	3,255,400	41,900
20	Hartz Mountain Industries	2,848,800	3,162,100
21	Schering-Plough Corp.	2,745,900	3,958,900
22	K mart	2,635,600	2,160,200
23	General Electric Co.	2,513,200	2,765,100
24	MortonNorwich Products	2,291,600	3,459,800
25	State Farm Mutual Auto Insurance Co.	2,257,000	1,835,500

*Standard Brands spent $450,000 in 1980.

Source: Figures are from Broadcast Advertisers Reports and supplied to Leading National Advertisers.

feature on all its passenger car models since 1967. The company's last fiscal year recorded worldwide car sales of 1,044,000 units, 56% of the company's total sales, and for the first time in Honda history, its automobile sales have exceeded the million-unit level. The U. S. accounted for 370,705 units in 1981, down from 375,388 units sold the previous year due to import quota restrictions placed on all Japanese auto manufacturers last year. In terms of units of production, Honda has ranked as Japan's third largest producer of passenger cars. It accounts for 16% of all imports into this country, with a 4.3% share of the total U.S. market.

Honda continued to use its "We make it simple" ad theme into its fifth model year, positioning its cars as more dependable and simple than its competition. Network television represented the major expenditure in the company's support of its 1982 models, with Honda involved as a corporate sponsor of men's professional golf tours (PGA) in the Honda Inverrary Golf Classic this spring.

Last October Honda introduced its new auto line for '82, including its new gas-saving Civic 1300 FE (fuel economy) $5,899 hatchback model which carried an EPA estimate of 41 mpg city, 55 mpg highway, for a time making it the highest gas mileage car available in the U.S. However, the introduction of Nissan's new Sentra this spring and its EPA estimate of 43 mpg city and 58 mpg highway, brought a halt to Honda advertising of the highest mileage claim.

The popular Honda Civic line offered six new models for '82, priced from $4,799 to $6,949. Television and magazine advertising supported these units as well as the new Accord series, which had been redesigned and offered in three models, all featuring a larger 15.8-gal. fuel tank to provide a longer cruising range. Prices for the more luxurious Accord models and the top of the line Prelude sports coupe range from $7,399 to $8,445.

Worldwide sales of Honda motorcycles during the past fiscal year rose 20% to 3,518,000 units, which accounted for 25% of the company's total sales. In the U.S., Honda accounted for 37.5% of total motorcycle retail sales for '81, the largest share of the market and ahead of Yamaha (25.3%), Kawasaki (16.2%), Suzuki (14%) and Harley-Davidson (5.2%). Unit sales in North America accounted for 19% of total motorcycle unit sales outside Japan. At the same time, output at Honda's motorcycle plant in Marysville, O., continued to move to its full capacity of 60,000 units a year.

Honda introduced a variety of new models in '81, backed by a motorcycle ad budget estimated near $25,000, the largest in the company's history. The aggressive promotion featured a media mix that included a heavy concentration of network and spot tv and radio, mass consumer print and a variety of vertical enthusiast magazines in the motorcycle field. The over-all campaign was set to the theme of "Follow the leader," now in its third year. But due to slumping street bike sales, Honda still wound up the year dropping a few market share points to Yamaha.

A generally lack-luster 1981 for Honda motorcycles was bolstered by booming sales in the three-wheel ATV (all terrain vehicle) market, where Honda managed to capture over an 80% share of U.S. sales which topped 200,000 units last year.

The company kicked off its 1982 push for motorcycles with two commercials during the Super Bowl telecast on CBS-TV in January. The Super Bowl buy, the first for a motorcycle marketer, was matched by Honda's auto group which also bought two spots.

The intensified promotional spending in '82 supported the introduction of several new top of the line street bike models. This included a vee-four (750cc) turbo performance twin in both the Magna and Sabre lines; a CB radio and stero-equipped Aspencade model, an extension of its touring-oriented Gold Wind line, and the CX500 Turbo, the first production turbo motorcycle offered by any marketer.

Power products, the third major group in Honda's worldwide operations, encompasses some 40 different products built around Honda's small, high-efficiency engines. Currently receiving advertising support estimated at $3.5-million level, more than ever before, power products have been receiving a omnibus approach in consumer magazines. Major expenditures are going to spot tv in behalf of Honda lawnmowers and the EM500 electric generator.

Honda's share of the U.S. lawnmower market, estimated at 5.7 million units in 1980, is currently about 1%. But company executives point out that Honda is not competing for the entire lawnmower market, just the high-priced end.

ADVERTISING EXPENDITURES*

	1981	1980
Newspapers	$5,301,400	$3,193,700
Magazines	12,371,000	10,648,200
Farm publications	596,600	416,800
Spot tv	4,528,900	1,283,000
Network tv	18,275,100	15,625,200
Spot radio	5,465,000	2,623,500
Network radio	—	299,400
Outdoor	1,357,800	820,900
Total measured	47,846,800	34,910,700
Unmeasured	16,363,100	19,428,363
Estimated total	64,209,900	54,339,063

*From AA's usual sources

ADVERTISING EXPENDITURES†
Auto division only

	1981	1980
Newspapers	574,800	410,506
Magazines	9,770,100	9,354,001
Spot tv	—	637,490
Network tv	12,677,500	11,833,849
Spot radio	127,700	49,968
Total measured	23,149,900	22,285,813
Unmeasured	13,060,000	12,064,250
Estimated total	36,209,900	34,350,063

†Figures supplied by company

MARKETING PERSONNEL

T. Chino, president
C. Schmillen, vp-auto div
K. Fukatsu, vp-motorcycle div
T. Kanazawa, vp-power products div
J. Haight, natl adv mgr—auto div

ADVERTISING AGENCIES

Needham, Harper & Steers, Los Angeles—William Hagelstein, mgmt super, autos.

Dailey & Associates, Los Angeles—Mike Nyerges, senior vp-mgmt super, motorcycles; Roger Van Remmen, vp-acct super, power prods.

American Motors Corp.

	1981	1980
Sales	$2,588,923,000	$2,552,587,000
Earnings*	(136,563,000)	(200,775,000)
Advertising**	70,000,000	71,000,000†

*(Loss)
**AA estimate
†Restated

American Motors Corp, Southfield, Mich., the 76th largest national advertiser, decreased its 1981 estimated advertising spending slightly to $70 million over the revised 1980 estimate of $71 million.

AMC sold fewer vehicles in 1981 than in 1980. The net loss was $136.6 million, down from $200.8 million in 1980. Sales of $2.6 billion were up slightly over 1980.

AMC is basing its automotive future on Renault products and its own 4-wheel-drive Jeeps and Eagles. Renault Le Car and 18i sales in 1981 were up 22% over 1980 sales. The hot sporty Renault Fuego went on sale in March with a $5 million ad campaign. "This vehicle will tell the public a lot about Renault," said Howard I. Mosher, director of Renault marketing at AMC. "We're spending ad dollars relatively heavily to increase awareness not only of this car but for Renault as a whole."

The marketing of the Fuego paves the way for the September, 1982, introduction of the Alliance, the first domestically-produced Renault.

Behind the Alliance will be what AMC calls "the most comprehensive and far-reaching marketing program in the company's history." The ad budget will be increased to $72 million in 1982.

AMC introduced a corporate ad campaign in 1982 for Renault, building on Renault's front-wheel-drive leadership and Formula One racing. Gatefold ads read: "Quick. Who's sold the most front-wheel drive cars in the world?" The answer: "Voila, Renault."

The Renault-AMC "arrangement" was formally started in December, 1980, with Renault's purchase of 46% of AMC stock and options to buy up to 59%. Two years later, Jose J. Dedeurwaerder was elected president-coo. Mr. Dedeurwaerder joined the company in September, 1981, as exec vp after serving 23 years with Renault. W. Paul Tippett Jr. moved from the presidency to chairman-ceo following the resignation of chairman Gerald C. Meyers, the man instrumental in the AMC-Renault pact.

While Renault is the future hope, present woes were blamed on the recession, high interest rates and "a lack of consumer confidence." Spirit and Concord sales were down, but Eagle sales were up 32%. The company says it will continue to produce Spirit and Concord as long as there is a demand.

Eagle had the best percentage increase in 1981, with unit sales of 43,221. Sales of AMC's other 4wd units—Jeep Corp.'s CJ, Cherokee, Wagoneer, Scrambler and pickup—were off 19% to 63,275 vehicles. AMC is waiting for its XJ Jeep series, which will come out in 1983 along with a doubled Jeep ad budget.

Renault sales in 1981 stood at 30,869 units, up 22% from 25,365 in 1980. AMC hoped to sell 10,000 Fuegos in 1982, and it plans on 100,000 Alliances in the 1983 model year. That would make the Alliance, a five-passenger subcompact, AMC's top seller.

The Spirit and the Concord, leftovers from the 1970s, had sales declines of 33% and 8%, respectively. Spirit sales were 33,504 in 1981, against 49,723 in 1980. Concord sales were 59,957 in 1981, down from 64,991 in 1980.

Total AMC vehicle sales dropped 9% to 230,826 in 1981 from 252,655 in 1980. Automotive losses came to $149.4 million in 1981, compared with $210.9 million in 1980. AM General, which makes military and postal vehicles, was AMC's only money maker. It turned in record orders and a record profit of $13.2 million, an increase from $10.1 million in 1980.

While AMC's auto sales were down 9% in 1981, the company increased its share of the total U.S. market to 2% in 1981 from 1.9% in 1980. Jeep sales slumped 19% in 1981, but AMC's share of a depressed domestic 4wd market increased to 15.8% in 1981 from 14.9% in 1980.

In the fall of 1980, AMC tried to consolidate its market position somewhat. The 4wd version of the Spirit was introduced as Eagle SX/4 to tie-in with the existing Eagle line. Both Concord and Spirit came under the umbrella theme, "The Tough Americans," and Jeep continued with the "legend" theme.

AMC also introduced the Renault 18i in September but had a more important Renault announcement later in the fall. Renault agreed to pump $200 million into the ailing AMC for additional stock.

In January, AMC shifted the $12 million Renault ad account from Marsteller to Grey, thereby giving Grey all of AMC's 2wd car business and Compton all of the 4wd car and Jeep business. The agency announcement caught Renault's European agency by surprise. Publicis-Intermarco thought it had an inside track for the Renault account in the U.S., but AMC wanted to consolidate advertising in two rather than three agencies and that left the French company in the cold.

Price rollbacks on Spirit, Concord and Eagle models followed later in January. The rebate substitute ran under the theme: "While others raise prices, the Tough Americans give you a 10% rollback." The rollback did not apply to Renault because consumers "don't perceive imports to be too high in price," said Mr. Tippett. Jeep didn't get it because "price isn't the issue with Jeep," he added.

A couple of new models came out in the spring as part of AMC's 6x6 plan—a new model every six months for six years—a Jeep entry into the small pickup field, the Scrambler, and a Le Car four-door hatchback.

The name Le Car got second billing in ads for the new model. AMC wanted to build the quality image of Renault in the advertising as well as sell different models. So the new Le Car ads read: "Renault presents the 5-door Le Car. Renault was designing cars around people before Ford or General Motors even began putting pistons in an engine block. . .Renault has made more front-wheel-drive cars than anyone else in the world."

Renault, Jeep and AMC lines

were so distinct executives decided to create a brand management system during the summer. "Lodged in one company are three very distinct lines of products that serve three distinct sets of consumers. The marketing problems are really quite different," said David J. Van Peursem, general marketing manager.

Thomas A. Staudt, vp of AMC's marketing group, resigned that post to become general marketing manager of Chevrolet, where he had been director of marketing before his two years at AMC. Six months later, Joseph E. Cappy left his job as general marketing manager at Lincoln-Mercury to replace Mr. Staudt.

Marketing strategies and ad plans for the fall introduction period continued along lines set the year before. Renault advertising kept building awareness of the French auto maker, setting the stage for the introduction of the Kenosha car (later named Alliance). The Renault theme was, "Where great engineering lives in great design." That covered the Le Car, 18i and later the Fuego.

Eagle, Concord and Spirit ads kept the "Tough Americans" theme. Rust protection was emphasized in one spot that sent a Spirit off a pier into salt water. Variations of the "legend" message continued the previous year's Jeep strategy.

AMC found it had to work hard just to stay even in the soft market in the fall of 1981, and it introduced a $750 rebate on Jeep Wagoneers, Cherokees and big trucks as well as a 10% rebate on the 18i, Concord and Eagles. In December, AMC changed the wording on warning stickers put on Jeeps to comply with a Federal Trade Commission settlement. The stickers warned of possible rollover of the high-center-of-gravity Jeeps in "sudden sharp turns and abrupt maneuvers." With the tougher language on the sticker in place, the FTC dropped plans to file a complaint against Jeep advertising.

In an attempt to avoid more rebates, AMC introduced the "old car retirement program" in January, 1982. The plan offered consumers cash bonuses on top of the trade-in value of their old cars, the older the car, the better. The imitation rebates ranged from $300 for trade-in of 1977-78 models to $500 for 1974 cars or older.

The "old car retirement program" was still alive when AMC decided to roll back prices once again, this time on Jeeps. Jeep CJ and Scrambler models were given the uniform base price of $6,765. The theme line for the widespread Jeep ads was, "Great little number, Jeep."

Even as all the incentive programs were being aired, AMC concentrated on building Renault image through advertising to prepare for the Alliance due in the fall. The sporty Fuego, based on the 18i platform, was introduced in early April. Ads showed the car superimposed on a Renault Formula 1 race car with the headline: "New. Racy. Fuego."

AMC posed the question in the Jeep summer campaign: "Why drive a car when you can drive a Jeep?" Again the ads were stepping stones to a future AMC product, a downsized Jeep.

Incentives kept pestering AMC, and when other car companies went in for warranty incentives, AMC was forced to follow. In April the company brought out a five-year expanded warranty program and began a comparison ad campaign to support it. The special $6,765 price on some of the Jeeps was held until the end of the model year and a $500 price cut on AMC cars ran through July 12 along with the warranty offer.

Jeep products again led AMC international operations to record sales outside the U.S. and Canada. Worldwide sales of AMC cars stayed about even while Jeep sales rose 31%. In Indonesia, Jeep sales nearly doubled.

Improved sales of military vehicles to the government increased AM General's earnings in 1981. AM General won a big contract for a five-ton truck and had hopes of winning another contract for a tactical vehicle dubbed the "hummer".

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$5,223,100	$2,048,900
Magazines	14,943,600	9,824,900
Spot tv	19,676,800	15,933,900
Network tv	10,058,100	17,733,900
Spot radio	236,300	347,400
Outdoor	13,000	7,300
Total measured	50,150,900	45,896,300
Unmeasured	19,849,100	25,103,700
Estimated total	70,000,000	71,000,000*

*Revised total

ADVERTISING EXPENDITURES*

	1981	1980
Newspapers	$1,706,577	$2,048,900
Magazines	14,432,697	9,824,900
Spot tv	23,758,773	15,933,900
Network tv	9,791,800	17,733,900
Spot radio	1,368,968	347,400
Outdoor	8,092	7,300
Total measured	51,068,927	45,896,300

*Provided by other sources

MARKETING PERSONNEL

Joseph E. Cappy, vp-mktg group
David J. Van Peursem, genl mktg mgr
Howard I. Mosher, director-Renault mktg
D. Dean Greb, director-Renault mktg
Robert F. Donovan, director-AMC mktg
Eugene L. Richmond, mgr-mktg devel
David G. Garfield, mgr-mktg services
James D. Jandasak, adv mgr-AMC
Ray Avedian, adv mgr-Jeep
Marvin Klein, adv mgr-Renault
Ray Dreyfus, mgr-media planning & budgets
R. Schwartz, vp-North American & operations

ADVERTISING AGENCIES

Grey Advertising, New York—Bob Borgan, vp-mgmt super, deputy genl mgr, Detroit; AMC Renault cars—Robert L. Bersenson, exec vp-mgmt rep; Bruce McRitchie, senior vp-genl mgr, Southfield, Mich.; Richard Krain, vp-mgmt super, New York.

Compton Advertising, New York—Jeep—William Williams, vp-office mgr, Detroit; Richard Rasor, exec vp-managing director, New York; John Dunmar, senior vp-mgmt super, New York.

American Telephone & Telgraph Co.

	1981	1980
Sales	$58,214,000,000	$50,864,000,000*
Earnings	6,888,000,000	6,058,000,000*
Advertising**	297,000,000	259,170,000

*Revised
**AA estimate

American Telephone & Telegraph Co. increased its advertising 14.6% to an estimated $297 million in 1981 to become the ninth largest advertiser in the U.S. Of this, measured media spending amounted to $209 million, an increase of 16% over 1980 expenditures.

Financial and operating results showed that 1981 Bell System revenues rose 14.5% to $58.2 billion while earnings rose 13.7% to $6.9 billion. Almost 90% of net income came from telephone operations, the remainder from the company's Western Electric subsidiary. Return on average capital was up by 0.4% to 10.3%, still a far cry from the 13% return Bell has hoped for since 1979 to assure sound financing of service growth and improvement.

The year 1981 was of historic importance for AT&T. As the year drew to a close, the company and the Department of Justice began discussions which led to a modification of the 1956 Consent Decree, the basis for the government's action in agreeing to drop its 7-year-old antitrust suit. This modified final judgement requires AT&T to divest the local service facilities of the Bell operating companies, representing more than $80 billion in assets. The System's inter-exchange facilities and the customer premises equipment business, as well as manufacturing operations and research and development (Western Electric, Bell Laboratories and Long Lines) would be retained by AT&T.

At press time, the agreement was before a federal judge in Washington to determine if it was in the public interest.

Meanwhile, AT&T has set up a planning model which structures the Bell System's 22 principally-owned operating telephone companies into seven regions. The model is being used as the basis for the further planning which must be accomplished to prepare for the divestiture of its local exchanges. Additionally, chief executive officers have been designated for these seven regional holding companies.

On the legislative front, the House is now discussing H.R. 5158—a new telecommunications bill that AT&T opposes. As proposed, the bill would force AT&T to purchase 30% of its equipment from outside suppliers. It would place restrictions on the amount of capital that AT&T could give to a new subsidiary. In addition, it provides specific guidelines on how the new subsidiary should be structured.

In other major developments, AT&T announced the formation of American Bell Inc., a whollyowned, fully operated subsidiary, to provide enhanced communications services. Under the FCC's Computer Inquiry II decision, all enhanced communications services—those where customers' information is changed or where customers interact with stored information—and new customer premises equipment must be provided through a fully separated subsidiary by Jan. 1, 1983. American Bell said its first service offering would be Advanced Information Systems/Net 1, a communication processing service that provides data storage and transmission, programing capability and the management of data communication networks.

A capitalization plan for another subsidiary, Advanced Mobile Phone Service (AMPS) that will offer domestic public cellular radio telecommunications systems and service, was filed with the FCC on May 25. On June 8, AMPS and 19 other companies announced plans aimed at ensuring the expeditious offering of cellular radio service to customers in 29 major metropolitan areas.

In 1981, AT&T's growth in volume of business accounted for 60% of the $7.4 billion increase in revenues; the remaining 40% was due to rate hikes. Some $4.4 billion in earnings was declared in dividends, the rest reinvested in the business.

About 700,000 new phones were added to the system in 1981, for a total of more than 142 million in service. There was a gain in access lines of 2.1 million compared with 2.5 million in 1980, and $18.1 billion was spent largely to expand the capabilities of the telecommunications network.

Long distance calling within and between states rose 6.6%, lower than the 7.8% increase the year earlier, while international calls increased 17.8%. Revenues from 800 Service and OUTWARD WATS grew 35% and 17.1% respectively.

Business services provided 52% of Bell System operating revenues in 1981, while residence services contributed 41%. Together they accounted for $6.9 billion of the year's $7.4 billion growth in operating revenues.

During the year, Bell operating companies were awarded $3.2 billion in interstate rate increases. Pending state requests totaled $3.2 billion at year's end. The FCC granted AT&T higher rates for interstate long distance messages, WATS and private line services, increasing revenues by $1 billion annually.

The Bell System continued to place strong emphasis on marketing new ventures, including Dial It 900 and Dial It National Sports programs.

Dial It 900, a mass polling and marketing device introduced in June, 1980, was first used by ABC to obtain viewer response to the Carter/Reagan debate. In 1981, the service was used by national and local broadcast media to conduct 160 straw polls on various issues. In addition, AT&T continued to offer Dial It National Sports, a recorded sports report which is updated every 15 minutes. Callers to Dial It services are charged 50 cents for each call. In 1981, more than 11 million calls were made to Dial It services, generating $5.6 million in revenues.

The largest share of AT&T ad spending went to long distance lines, which received $47.8 million in measured media spending, up from $39.9 million in 1980. More than half went to network television. Magazine buys followed with $12.8 million. Yellow Pages had a budget of $16.2 million, the bulk of which went to tv, both spot and network.

The regional Bell System companies had autonomous budgets, ranging from a high of $10.7 million for Southwestern Bell to a low of $4.2 million for the New York/New Jersey Bell Telephone Co.

Pacific Telephone & Telegraph was budgeted for $5.8 million while Chesapeake & Potomac Telephone Co. allocated $5.8 million for its advertising. AT&T's manufacturing subsidiary, The Western Electric Co, received an ad budget of $2 million, down from a 1980 expenditure of $9.5 million.

Nine new "Reach Out And Touch Someone" spots were aired in 1981. During 1982, AT&T is celebrating a year-long "100 Years of Bell Quality Phones for the Home" campaign with actor Don Ameche as spokesperson in broadcast and print interviews and in personal appearances throughout the U.S., including the opening of the Bell system "Home of the Future" exhibit at the Knoxville (Tenn.) World's Fair. New commercials for 1981 were designed to stress the low cost of reaching out on weekends, and spots for Long Lines continued to push the "20-minute visit."

The Bell System spent $18.1 billion on construction in 1981, an increase of $800 million. About 55% of the construction budget went to meet current and anticipated growth, 24% to replace older equipment and facilities with new technology, and the balance largely for the rearrangement of facilities and provision for customer movement.

Allocations were also made for new electronic switching equipment. Local electronic switching offices were serving 50% of the nation's customers, a 7% increase from the year earlier.

Seventeen long distance electronic switching systems were also installed in 1981. These large digital systems handle more than 500,000 calls per hour—more than four times the capacity of earlier systems. The new systems, which take up less space and require less maintenance, brought the total in service to 70.

To remain in the forefront of technological development, the Bell System invested $1.7 billion in research and development in 1981.

During the year, a trial by AT&T and Knight-Ridder newspapers enabling users to perform shopping and banking transactions from home terminals came to a close. Knight-Ridder announced plans to begin an expanded commercial market test of the system in 1983 using Bell System terminals and communications facilities. During 1982, CBS Inc. and AT&T will begin a seven-month test of another videotex system in New Jersey.

The Bell System also announced plans for the largest lightwave system in the world, a 767-mile system connecting Moseley, Va., and Cambridge, Mass.

International Dialing came to 723 additional cities in the continental U.S. in 1981. Some 54

Top 25 spot tv advertisers

Rank	Advertiser	Expenditures 1981	Expenditures 1980
1	Procter & Gamble Co.	$128,360,400	$135,275,400
2	General Foods Corp.	84,034,900	83,436,100
3	General Mills	83,036,100	65,464,100
4	McDonald's Corp.	75,272,400	70,715,700
5	PepsiCo Inc.	69,767,500	57,949,500
6	American Telephone & Telegraph	59,759,800	50,772,600
7	Coca-Cola Co.	47,758,900	47,726,300
8	Dart & Kraft	44,106,300	33,188,900
9	Unilever U.S.	42,949,900	38,502,500
10	American Home Products Corp.	40,376,700	36,433,400
11	Toyota Motor Sales	38,616,400	33,035,600
12	Mobil Corp.	33,641,500	33,117,600
13	Pillsbury Co.	32,590,600	31,915,600
14	Mars Inc.	32,217,700	29,545,200
15	Anheuser-Busch Cos.	31,486,800	24,197,800
16	R. J. Reynolds Industries	30,361,400	8,183,600
17	Time Inc.	30,025,200	30,380,700
18	Warner-Lambert Co.	29,822,000	21,311,300
19	Heublein Inc.	29,743,700	17,888,100
20	International Telephone & Telegraph	27,614,700	30,677,200
21	Nestle Enterprises	27,199,900	25,600,800
22	A. H. Robins Co.	25,701,700	32,383,400
23	Nabisco Brands	25,452,400	13,313,800*
24	Revlon Inc.	23,372,500	22,310,600
25	Gulf & Western Industries	23,160,400	12,464,800

*Prior to merger with Standard Brands. In 1980 Standard Brands spent $10,629,500.

Source: Net time figures from Broadcast Advertiser Reports and supplied to Leading National Advertisers.

million telephones in 5,400 cities across the country can now dial direct to 86 foreign countries.

A seventh transatlantic cable, approved by the FCC in 1979, is scheduled for service in 1983. The cable will stretch 3,295 nautical miles from Tuckerton, N.J., to Land's End, England, and will be capable of carrying 4,200 conversations at once, compared with 51 in the first transatlantic cable laid in 1956 (now retired) and will cost $14.23 per circuit mile, compared with $233 for the first cable.

In terms of business marketing, the Bell System took several major steps to reaffirm its leadership in the telecommunications marketplace.

First, Bell announced six advanced capabilities for its DIMENSION PBX product line, making its best-selling family of PBXs even more versatile and cost-effective.

The six advancements are:

- A Distributed Communications System, to provide expanded telecommunications capabilities to over 25,000 stations in a unified system.
- Energy Communications Service, available across the entire DIMENSION PBX Product line, to give customers ongoing management and monitoring of their energy usage throughout their organizations.
- 9.6 KB Data Switching to more efficiently handle voice and data through the same switch.
- Call Management, automated call distribution coupled with sophisticated management reporting systems for organizations with large numbers of incoming calls, such as those involved in telemarketing and teleservicing.
- Message Center Service to insure that calls get a professional response and that messages are delivered promptly.
- Message Center Directory to provide improved message handling in both internal and external communications.

Other significant business marketing-related developments were: Bell's introduction of the DIMENSION Prelude PBX, a low-cost communications system for small PBX customers who need fewer than 100 telephone stations but require relatively sophisticated features; the introduction of System Management, a process whereby Bell System customers will gain more control and responsibility for the full DIMENSION PBX product line, and AT&T's proposal to offer a two-way Video Teleconferencing Service (called PICTUREPHONE Meeting Service) that would allow business people to conduct face-to-face meetings without having to travel long distances.

Dataphone Digital Service, which provides private-line digital transmission at high speed, was extended to 34 additional cities, bringing the total served by the network to 94.

In early 1982, there was activity on three key antitrust cases against Bell.

The Chicago U.S. Appeals Court heard arguments in AT&T's appeal of MCI's $1.8 billion antitrust judgment in 1980. The arguments were virtually the same as those presented a year ago but, because of illness of one judge, a new judge had to be appointed and the arguments were repeated.

AT&T's appeal of the June 29, 1981, verdict in the Litton antitrust case was argued before the United States Court of Appeals for the Second Circuit in New York City.

The verdict awarded Litton Systems some $276.8 million in damages.

And in Washington, a federal district court judge is still deliberating the antitrust suit filed by Southern Pacific Communications Corp. (SPCC) against the Bell System. AT&T has moved that the case be dismissed. During its testimony, SPCC had lowered its original damage claim against AT&T from $567 million to $480.5 million.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$21,530,600	$19,180,900
Magazines	35,167,200	34,521,100
Spot tv	59,759,800	50,772,600
Network tv	68,926,800	57,388,100
Spot radio	16,367,100	12,082,600
Network radio	7,299,500	5,936,900
Outdoor	595,400	783,400
Total measured	209,646,400	180,665,600
Unmeasured	87,353,600	78,504,400
Estimated total	297,000,000	259,170,000

CORPORATE ADVERTISING PERSONNEL

J.L.Brunson, asst vp
B.E. Strasser, adv director-corporate
D.E. Hutchings, adv director-residence mkts and Yellow Pages
K.W. Weihe, adv director-business mkts

ADVERTISING AGENCIES

N W Ayer Inc., New York—all (except ethnic markets and Yellow Pages)—Tom Maxey, exec vp; Lamar LeMonte, senior vp, mgmt super; Roy Robinson, senior vp, mgmt super; John Nichols, vp, acct super; Tina McDermott, vp, acct super; Duncan Gray, acct super.

Cunningham & Walsh, New York—Bell System Yellow Pages—Carl Nichols, chairman; Nat Allan, senior vp; Tom Kirmayer, acct super; Helen Murphy, acct exec.

Uniworld Group, New York—corporate adv directed to minorities—Byron E. Lewis, president; Tillman deGraphenreed, vp, acct super.

LONG LINES DEPARTMENT

MARKETING PERSONNEL

K.M. Armstrong, adv director
P.C. Shyposh, adv mgr

ADVERTISING AGENCY

N W Ayer Inc., New York—Tom Maxey, exec vp; Joe Dodson, senior vp-mgmt super.

McCann-Erickson, New York—Tom Driscoll, mgmt rep.

WESTERN ELECTRIC CO.

MARKETING PERSONNEL

R. Varner, genl pr director
R.J. Martin, natl adv mgr

ADVERTISING AGENCY

Foote, Cone & Belding, New York—all services—Mike Hoynes, mgmt super; Gary Bahl, acct super; Eileen Lynch, acct exec.

BELL TELEPHONE LABORATORIES

MARKETING PERSONNEL

Jim McMahon, director public info & adv
H. Apfelbaum, head/adv

ADVERTISING AGENCY

Aitkin-Kynett, Philadelphia—George Bernard, mgmt super; William Cass, acct super.

NEW ENGLAND TELEPHONE & TELEGRAPH

MARKETING PERSONNEL

B.B. Sullivan, genl adv mgr
Mike Kramer, district mgr
Geraldine O'Brien, district mgr

ADVERTISING AGENCY

Cabot Advertising, Boston—all services—William H. Monaghan, exec vp-acct super; John Osborne, acct exec; Carolyn Chick, acct exec; Timothy Moroney, acct exec.

SOUTHERN NEW ENGLAND TELEPHONE CO.

MARKETING PERSONNEL

Jean M. Handley, vp
R. Patterson, district staff mgr

ADVERTISING AGENCY

Mintz & Hoke, Avon, Conn.—all services— S.G. Sullivan, acct super.

NEW JERSEY BELL TELEPHONE CO.

MARKETING PERSONNEL

F.J. Griffin, vp-adv
J.D. Simpson, div staff mgr-adv

ADVERTISING AGENCY

Bozell & Jacobs, Union, N.J.—all services—Ronald Verba, senior vp-genl mgr.

NEW YORK TELEPHONE CO.

MARKETING PERSONNEL

E. Westfall, asst vp-adv
Frank McLoughlin, division staff mgr-adv

ADVERTISING AGENCIES

Young & Rubicam,New York—Mort Lowenstein and Joseph Tilli, acct supers.

Wunderman, Ricotta & Kline, New York—mass announcement services—Judy Keane, acct exec.

Chapman Direct Marketing, New York—Bill Sutherland, acct super.

Conill Advertising Associates, New York—Spanish market—Rafael Conill, president.

BELL TELEPHONE CO. OF PENNSYLVANIA

MARKETING PERSONNEL

T. Snowe, asst vp
R.S. Hoffsis, genl pr super-adv

ADVERTISING AGENCY

Lewis & Gilman, Philadelphia—all services for Bell of Pennsylvania and Diamond State Telephone Co.—George Gunn, senior vp-commercial/industrial adv div; Joe Breen, vp; Joseph Patenaude, director-DirectCom div; John Kaiser, exec vp-adv div; Palmer Reed, president-pr div; Tom Tebbens and Al Paris, acct supers.

CHESAPEAKE & POTOMAC TELEPHONE COS.

MARKETING PERSONNEL

Don Williams, asst vp
Paul Truntich, district staff mgr

ADVERTISING AGENCY

Ketchum Communications, Rockville, Md.—all services—William Harrington, vp; Tom Rich, vp-acct super; Gordon Dunlop, acct super.

SOUTH CENTRAL BELL TELEPHONE CO.

MARKETING PERSONNEL

D. Reichardt, asst vp

ADVERTISING AGENCIES

Luckie & Forney, Birmingham—all services—Frank Lee, president.

Godwin Advertiring, Jackson, Miss.—media services in Mississippi—John Fontaine, president.

SOUTHERN BELL TELEPHONE CO.

MARKETING PERSONNEL

M.T. Brandt, division mgr-adv

ADVERTISING AGENCY

Tucker Wayne & Co., Atlanta—all services—Sidney Smith, acct super.

MICHIGAN BELL TELEPHONE CO.

MARKETING PERSONNEL

D.J. Gillard, asst vp
D.A. White, genl adv mgr

ADVERTISING AGENCY

Ross Roy Inc., Detroit—all services—R.L. Simmons, acct super.

OHIO BELL TELEPHONE CO.

MARKETING PERSONNEL

L.C. Gilman, vp
D.H. Parker, div mgr-adv

ADVERTISING AGENCY

Marschalk Co., Cleveland—all media—John Willse, vp-mgmt services director.

CINCINNATI BELL

MARKETING PERSONNEL

M.J. Bates, genl mgr-pr
R.R. Brill, adv mgr

ADVERTISING AGENCY

Fahlgren & Ferriss, Cincinnati—all services—John Burpee, vp.

WISCONSIN TELEPHONE CO.

MARKETING PERSONNEL

Dave Nelson, vp
C.H. Schrank, div staff mgr-info

ADVERTISING AGENCY

Cramer Krasselt Co., Milwaukee—all services—William Faude, acct super.

SOUTHWESTERN BELL TELEPHONE CO.

MARKETING PERSONNEL

K. Kaufman, asst vp-adv
Larry Alexander, adv mgr
Ross Markwardt, adv mgr

ADVERTISING AGENCIES

Gardner Advertising Co., St. Louis—Ray Ward, mgmt super.

D'Arcy-MacManus & Masius, St. Louis—Bill Mund, acct super; Stan Sundermeyer, acct super.

Stone & Adler, Chicago—Kevin Wolcott, acct super.

INDIANA BELL TELEPHONE CO.

MARKETING PERSONNEL

James H. Irwin, district mgr-adv

ADVERTISING AGENCY

Handley & Miller, Indianapolis—all services—Mary Burgerson, acct exec.

ILLINOIS BELL TELEPHONE CO.

MARKETING PERSONNEL

R.E. Campbell, adv mgr

ADVERTISING AGENCIES

N W Ayer Inc., Chicago—all services—Gerry Coleman, senior vp.

Vince Cullers Advertising—Vince Cullers, president.

Omar Inc., Chicago—Marcelino Miyares, president.

NORTHWESTERN BELL TELEPHONE CO.

MARKETING PERSONNEL

R.G. Keim, asst vp-adv

ADVERTISING AGENCY

Bozell & Jacobs, Minneapolis—all services except Yellow Pages—Denny Sullivan, acct super.

Bozell & Jacobs, Omaha—Yellow Pages—Charles Ammons, acct super.

MOUNTAIN BELL

MARKETING PERSONNEL

G.M. Fowler, asst vp
S.C. Kanewske, adv mgr

ADVERTISING AGENCIES

Tracy-Locke/BBDO, Denver—John McLagan, senior vp.

Bermudez & Associates, Los Angeles—Hispanic agency—Eduardo Bermudez, president.

PACIFIC TELEPHONE & TELEGRAPH CO.

MARKETING PERSONNEL

P.J. Harleman, asst vp
J. Golightly, div staff mgr

ADVERTISING AGENCIES

Foote, Cone & Belding/Honig, San Francisco—all services—Craig Wiggins, genl mgr; Bill Kelley, senior vp.

Bermudez & Associates, Los Angeles—Spanish language advertising—Eduardo Bermudez, president.

Anheuser-Busch Cos.

	1981	1980
Sales	$4,409,600,000	$3,822,400,000
Earnings	217,400,000	171,800,000
Advertising*	187,228,500	181,278,472

*AA Estimate

Anheuser-Busch Cos., St. Louis, the nation's 28th largest advertiser, boosted ad spending by 3.3% in 1981 to a total of $187.2 million. For the 25th consecutive year, A-B led the brewing industry and set another all-time industry sales record of 54.5 million bbls. sold. That is an increase of 8.6% over 1980's record total of 50.2 million bbls. A-B now outdistances No. 2 ranked Miller Brewing Co. by a record 14.2 million bbls. The brewer's kingpin status grew in 1981 as A-B's market share jumped to 29.5%, an increase over the previous year's 27.8% holding. In 1981 A-B's sales increased 15.4% to $4.4 billion, while net income climbed 26.6% to $217.4 million.

While many of the nation's brewers fight for survival, A-B is striving to keep up with consumer demand by investing an estimated $2 billion-plus toward upgrading and expansion of its breweries. For example, the Williamsburg brewery came on line in late 1980 and early 1981, and the Los Angeles brewery's capacity was tripled in early 1982. The Baldwinsville, N.Y., brewery comes into production in 1983; Houston's may expand by 5 million bbls., and plant No. 12 will be built in Colorado. When these additions are completed, it will give A-B a brewing capacity of more than 70 million bbls.

Budweiser, the company's powerhouse flagship brand, continued to grow at a double-digit rate for the third year in a row. The "king of beers" logged 70% of A-B's beer sales compared to 68% the previous year. A-B continued with its "This Bud's for you" salute to the working man, and increased its roster of vignettes to include tributes to sports referees, deep sea divers on the *Andrea Doria* treasure mission and lumber camp workers. In addition, A-B beefed up its youth-oriented ad supplements for Budweiser by coining a series of spots smacking of "new wave" video impressions, also backed by the "This Bud's for you" theme. These ads are targeted to the young-adult crowd and are seen mostly in the late-evening regional time slots, in theaters and on cable tv.

The brewery invested $40.5 million on Budweiser in six measured media, up 26% from the $32 million spent in 1980. The bulk of the spending—or $25.8 million—went into network tv buys. Of the remaining, $9.3 million went into spot tv, $2.8 million into network radio and $876,000 into magazines. In addition, A-B continued to spend heavily on local promotions, ranging from outdoor Summerfest concerts to rodeos.

A-B completed its testing of Budweiser Light in 1981 and proceeded to roll it out nationally beginning last March. Bud Light is considered by the brewing industry as the most formidable challenger to Miller Brewing Co.'s segment leader, Lite. In tests, A-B commissioned two ad agencies to handle the new light brew—St. Louis-based D'Arcy MacManus & Masius and Chicago's Needham, Harper & Steers. D'Arcy employed the use of a lone Clydesdale and buffered it with a "Break Away" theme. NH&S went with a sports-oriented approach that showcased the message, "Bring Out Your Best." Both campaigns fared well in tests and consumer acceptance, but A-B opted for NH&S to handle the estimated $35 million to $40 million national rollout for the sake of "agency balance." D'Arcy remains A-B's principal shop, handling Budweiser, Michelob, Michelob Light and Natural Light. In addition to Bud Light, NH&S handles popular-price Busch beer.

Weekends are still made for Michelob, but the superpremium beer expanded its ad approach by enticing drinkers to "Put a little weekend in your week." In 1981, A-B spent $18.2 million for Michelob—$13.2 million on network tv, $2.6 million in spot tv, $1.3 million in magazines, $560,400 in network radio and $49,500 in outdoor.

Supplemental spots have also been forged for Michelob. Two commercials using a format entitled "Mystery Man" are running in late-night and fringe times. The spots showcase the dashing, James Bond-type, cavorting among the upper crust while being tracked by a dastardly bad guy, equipped with black hat, cane and limp. In each spot the bad guy attempts to capture the Michelob "mystery man" but fails, prompting the tag line, "Michelob—one step ahead."

Michelob Light has shaken its comparative taste campaign and replaced it with a sports-oriented look that cashes in on the competitive fires of amateur sporting activities. Spots showcase young men grunting and sweating their way through a no-holds-barred contest of touch football, sandlot baseball, soccer or basketball—all in quest of a Michelob Light, which the losers, of course, buy. A total of $21.5 million was spent on Michelob Light in measured media, with the bulk of the spending going to network tv.

Last year also saw a change in marketing direction for A-B's Natural Light. The brewer opted to take Natural out of the tavern and place it on the buffet table, giving it a new ad campaign linking it with good food. Instead of bumping heads with Miller's Lite, as it did in its series of me-too sports personality spots, Natural is out of the macho fray, as far as its advertising goes. Natural's new campaign promotes the beer's lightness as a counterpart to heavy meals such as pasta and sizzling steaks. The push carries the theme, "The beer with the taste for food." Last year, A-B invested $17.9 million in Natural with the bulk going toward network buys.

Natural will now be positioned as a popular-price light beer, a price leader that will make its strongest sales in the supermarkets where women traditionally are the buyers. The downturn of Natural to popular prices, the debut of Bud Light at premium cost and the growth of superpremium Michelob Light gives A-B a light beer presence in every range.

A-B's other popular-price beer is Busch, which continued throughout 1981 to maintain its "Head for the Mountains" theme. The company invested $7.4 million in measured media; Busch is distributed in 28 states, and showing signs of new vitality throughout its distribution area.

A-B's German import, Wurzburger Hofbrau, received only token support of $266,000. It was also pulled from markets along the lower eastern seaboard, to be sold only in New England. Industry observers believe this scaling down to be an indication that A-B is getting ready to abandon its Wurzburger test and use its bottling capacity for Bud Light instead.

The company continues to distribute its beers internationally—with mixed results. Testing of "Busch" brands in parts of Berlin were discontinued, but the beer has gone national in France. A-B also has set its sights on South America and Sweden, where tests are under way. Budweiser has become the fifth best-selling brand in Canada, where it is brewed under an agreement with LaBatt Brewing Co. Michelob is also distributed in Canada under this agreement. A-B is also making inroads in Japan, where Bud is the largest-selling import at the 200,000 cases per year mark.

A-B had only mild success in its diversification efforts. In September, 1981, the company discontinued its foray into the soft drink business by withdrawing Root 66 root beer, and its diet counterpart, from the market. The brewer spent $248,000 in support of the faded soft drink.

But Eagle brand snacks are doing well. The premium-price snack line was expanded into 100 markets and is available at all major airports. Eagle is also being sold in some convenience foods stores as well as in drinking emporiums. In June, 1982, A-B named TBWA Advertising, New York, to handle the brand, which has had virtually no ad support so far.

The company got out of the direct-mail business as it discontinued its Clydesdale Collection mail order business after the limited venture's second year. In other A-B businesses, Metal Container Corp., its can manufacturing subsidiary, produced a record 3.6 billion beer cans, about 40% of its total annual requirements of more than 9 billion cans, and more than 10% of all the beer cans produced in the U.S.

A-B got out of the corn refining business in 1981 when it sold Busch Industrial Products Corp.'s Lafayette, Ind., plant to A.E. Staley Co., Decatur, Ill. Busch Industrial continues to market bakers yeast.

Busch Entertainment Corp., the company's family entertainment subsidiary, operates major theme parks in Florida and Virginia, a water park attraction in Florida and an educational play park in Pennsylvania. In 1981, the Dark Continent, the brewer's Africa-theme park in Tampa, drew approximately 2.9 million people, a decrease of 6.3% compared to 1980. The Old Country in Williamsburg also saw an attendance decrease of 2% from the previous year's numbers. But Adventure Island, also in Tampa, saw an increase of 11% in 1981 to 365,000 visitors. Measured ad spending was about $1 million compared to the previous year's $3.8 million.

Finally, A-B continues to support the St. Louis Cardinals Major League Baseball team. In 1980, the National League team posted losses of $3 million. Although last year's figures were not released, industry analysts say the loss was in the same neighborhood as the previous year. The brewer also completed negotiations to buy Busch Stadium, home of the Cards.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$2,484,400	$1,699,400
Magazines	6,224,700	5,075,500
Spot tv	31,486,800	24,197,300
Network tv	73,612,500	65,423,500
Spot radio	34,432,200	27,399,700
Network radio	3,826,100	2,554,600
Outdoor	2,058,600	1,311,400
Total measured	154,124,300	137,661,500
Unmeasured	33,104,200	53,618,500
Estimated total	187,228,472	181,278,472

MARKETING PERSONNEL

Dennis Long, president
Michael Roarty, vp-beer mktg
Michael LaMonica, vp-sales
Jack MacDonough, vp-brand mgmt
Thomas Sharbaugh, group mkt mgr, Budweiser and Budweiser Light
Charles Fruit, vp-natl media
David Drew, mkt mgr, Michelob and Michelob Light
Davis Morris, group mkt mgr, Busch and Natural Light
Richard Brandon, director, mkt services
John Lodge, director of sales promo

ADVERTISING AGENCIES

D'Arcy-MacManus & Masius, St. Louis—Percy Orthwein, senior mgt super, Larry Stillman, creative services; Tim Arnold, senior vp-Budweiser and Natural Light; Bob Gulovsen, senior vp-Michelob and Michelob Light.

McDonald & Little, Atlanta—Busch Entertainment Corp.—Joseph C. Lonsdorf, senior vp-mgmt super; Benjamin S. Tully, senior vp-acct super; John W. Avery, vp-acct super; Lisa J. Hamilton, acct super; A. Ruth Hayden, acct exec.

Busch Gardens and Sesame Place: Joe Lonsdorf, acct exec; Lisa Hamilton, acct super—Williamsburg; Tim Tully, acct super—Tampa; John Avery acct super—Sesame Place and Adventure Island.

Needham, Harper & Steers, Chicago—Ronald Bess, senior vp-mgmt rep, A-B accts; Patrick Martin, vp-acct director, A-B accts; Ralph Kurek, field acct super, A-B accts; John Greening, acct super, Bud Light; Mike Kearns, acct super, Busch Beer.

TBWA Advertising, New York—Barrie Hedge, acct super, new products, Eagle Snacks and Wurzburger Hofbrau.

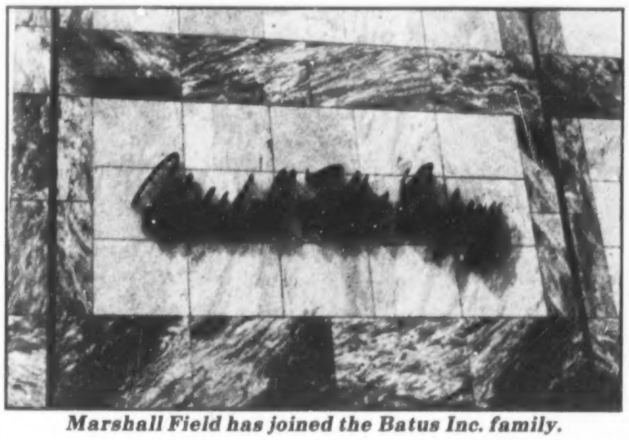
B.A.T. Industries PLC

	1981	1980
Sales*	$4,592,259,000	$4,161,123,000
Earnings*	179,698,000	196,975,000
Advertising*†	199,301,800	95,757,000

*Figures for Batus Inc.
†AA estimate

B.A.T. Industries PLC, a London-based holding company and the 21st largest national advertiser, spent $199.3 million on advertising in the U.S. in 1981, more than double the amount spent in 1980.

Virtually all of the increase—108.1% higher than the 1980 figure of $95.8 million—is attributable to advertising and promotional support put behind Barclay, the controversial ultralow-tar cigaret marketed by Brown & Williamson Tobacco Co. B&W is a unit of Batus Inc., which in turn is the U.S. subsidiary of B.A.T.



Marshall Field has joined the Batus Inc. family.

Worldwide sales of B.A.T., the world's largest tobacco marketer, totaled $17.7 billion in 1981, an increase of 21% over the $14.6 billion recorded in 1980. Net earnings in 1981 jumped 55% to $693 million from $447 million in 1980.

At the same time, Louisville, Ky.-based Batus Inc., which operates tobacco, retail and paper units in the U.S., saw its sales increase by 10.4% in 1981 to $4.6 billion from $4.16 billion in 1980. Net income totaled $179.7 million, down 8.8% from $197 million in 1980.

Among Batus' holdings, Brown & Williamson, also based in Louisville, is the biggest single unit. The tobacco operation's sales totaled $1.98 billion in 1981, an increase of 15.7% over the $1.71 billion in 1980. Operating income, however, declined 13.6% during the year, dropping to $252.4 million from $292.2 million in 1980. The company attributed the drop in part to the "substantial marketing investment" it is placing in its brands, particularly Barclay.

Batus' retail holdings comprise Saks Fifth Avenue, Gimbels, Kohl's food and department stores, Thimbles and—acquired in 1982—Marshall Field & Co. In 1981, the retail division's sales totaled $2.16 billion, an increase of 5.9% over $2.04 billion in 1980. Operating income fared better, increasing by 29.4% to $126.8 million in 1981 from $98.0 million in 1980.

Appleton Papers, Batus' paper operation, saw its sales rise by 9.7% in 1981 to $403.2 million from $367.6 million in 1980. But operating income of the Appleton, Wis.-based company declined to $36.9 million in 1981 from $39.0 million the year before, a drop of 5.4%.

The company blamed the decrease on depressed export sales, startup costs on an expanded plant in Harrisburg, Pa., and "unusual" one-time expenses.

Tobacco, of course, provides the basis of much of Batus' operations. During the year, Brown & Williamson, the nation's third-largest cigaret marketer, saw its share of the cigaret market rise to 14% from 13.7% in 1980. In all, the company sold 87.75 billion units in 1981. By contrast, market leader R.J. Reynolds Tobacco Co., which holds on to 33% of the market, had sales of 207.18 billion units.

Top executives at B&W and Batus professed to be pleased with B&W's ability to increase its market share, but they expressed even more delight at the progress made by Barclay, the 1mg smoke introduced nationally in January, 1981, with an estimated $150 million in advertising and promotional support.

Given that Barclay's ad budget was the highest for a new product in the tobacco industry's history, it would be expected that the bulk of attention paid to B&W—both inside and outside the company—would focus on Barclay. Industry watchers were not disappointed.

Not only did Barclay accumulate a 1.3% share by the end of 1981—which alone more than accounted for B&W's over-all share increase—but the 1mg tar claim and the cigaret's unique filter system stirred considerable debate and a Federal Trade Commission ruling adverse to B&W's interests.

R.J. Reynolds, one of B&W's chief competitors, lodged a complaint with the FTC in July alleging that Barclay's 1mg rating was inaccurate. The complaint charged that Barclay's filter "fooled" the regulatory agency's conventional method of testing tar and nicotine levels. Indeed, part of Barclay's marketing effort was to position the cigaret as having fuller flavor than other ultralow-tar smokes, an advantage, B&W claimed, enabled by the different kind of filter Barclay uses.

In late June of this year, the FTC determined that its testing machines, in fact, could not validate the 1mg claim and that independent consultants had concluded the real rating for Barclay lay probably between 3mg and 7mg. The FTC did not take any legal action against B&W's advertising of the 1mg level, but it did advise the company to alter the claim. (The FTC determination could also affect B&W's Kool Ultra and Kool Ultra 100, which use the Barclay-type filter system.)

Shortly thereafter, the company won a temporary court order that enabled it to continue advertising the 1mg level. But, on a larger scale, it proposed a revamping of the FTC's tar reporting system that would halt the reporting of specific tar content numbers entirely, replacing them with four broader categories—ultralow (under 6mg), low (6mg to 10mg), medium (11mg to 15mg) and high (above 15mg).

"Barclay is a 1mg product, comparable in tar delivery to all other 1mg products," B&W said after the FTC action. "We believe we are right, and we stand behind our advertising claims."

That B&W is fighting hard to preserve the momentum that Barclay has developed in its first year should not be surprising. In introducing the cigaret, B&W used some advertising and promotional tactics that caught a lot of attention. There were two-packs-for-one offers, widespread couponing, the development of a sophisticated-looking "spokesman" (the urban cousin of the Marlboro man, some say) and perhaps the ultimate—carton giveaways by calling a toll-free number.

Competitors sought to take some of the luster off Barclay's numbers—termed the most successful cigaret introduction in a decade—by attributing a large portion of the share gain to the promotion. B&W did not say how much can be linked with the giveaways, but the company contended that it has been trying to build up a following with trial consumption, hence the importance of maintaining forward movement in the cigaret's evolution.

The heavy interest in Barclay certainly matched the heavy spending. In fact, according to Leading National Advertisers figures for 1981, total measured media spending for Barclay, $68.8 million, was almost double the $37.4 million spent for the rest of B&W's brands combined. Broken down, Barclay's measured spending (used for a campaign themed, "The pleasure is back") was allocated as follows: $38.3 million went to magazines, $11.8 million to newspaper supplements and $18.7 million to outdoor.

Possibly one reason B&W is putting so much effort into Barclay is to spark life into its other brands, all of which lost share points in 1981. The company's top seller, Kool, has lost its crown as the nation's No. 1 menthol, toppled by Reynolds' Salem. Its market share, moreover, continued to drop, reaching 8.4% in 1981, compared with 8.8% in 1980.

B&W's hopes for recovery in the Kool brand rests in part with Kool Ultra and Kool Ultra 100s, introduced in 1981. Those brands, however, could be affected by the FTC's action with regard to the measurement of Barclay's tar levels.

With the introduction of Kool Ultra, the brand's positioning received a more contemporary setting and the theme line, "There's only one way to play it. . . Kool." The jazz-like ambiance was perhaps appropriate, considering Kool's continuing sponsorship of Kool Jazz Festivals across the nation.

In 1981, measured media spending for Kool totaled $15.1 million, with $10.2 million going to magazines, $1.3 million to newspaper supplements and $3.5 million to outdoor. This compares with total spending of $28.3 million in 1980.

Raleigh, the second-ranking cigaret in B&W's stable, also saw its market share drop—albeit rather more slightly. At the end of 1981, Raleigh had 1.7% of the market, compared with the 1.8% it held in 1980. Unlike the other longtime B&W brands, Raleigh saw its measured media support increase in 1981, rising to $12.1 million in 1981, compared with $8.1 million in 1980. Of the 1981 spending, $5.3 million went to magazines, $3.7 million to newspapers supplements and $3.1 million to outdoor.

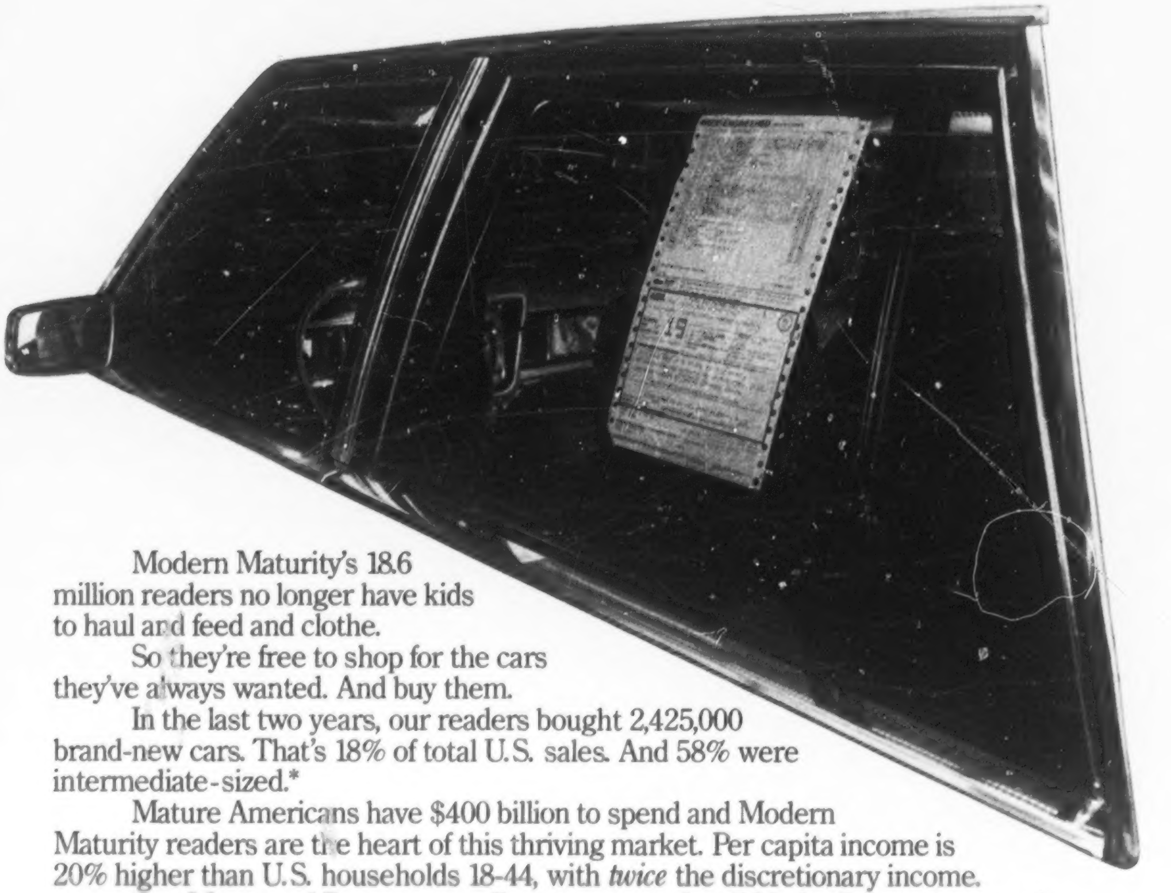
B&W's third brand, Viceroy, saw its share drop to 1.5% from 1.7% in 1980. Unit sales declined by more than 1 billion, a drop of 13%. And of all the brands, Viceroy saw its measured media budget slashed the most, down to only $101,200 in 1981, all to outdoor. This compared with a spending figure of $13.8 million in 1980.

Belair, another B&W menthol, had a share of 1.1% at the end of 1981, compared with 1.2% in 1980. Measured media support declined slightly in 1981, dropping to $10.2 million from $11.2 million in 1980. Of the 1981 spending, $5.4 million went to magazines, $2.6 million to newspaper supplements and $2.2 million to outdoor.

In Batus' retail division, meanwhile, the major news came in 1982, when the company acquired Marshall Field & Co., the Chicago-based retailer. Batus' eventual offer of $30 per common share and $54 per preferred share was accepted by the Field board, despite strong dissent from a group of investors headed by Carl C. Icahn, a New York financier and arbitrageur, that tried to take over the company.

With the acquisition of Field, Batus agreed to cut back the amount of floor space it held in the Milwaukee area in order to win FTC clearance for the merger.

As with other retailers in the current economic environment,



Our Mom and Pop are great window shoppers.

Modern Maturity's 18.6 million readers no longer have kids to haul and feed and clothe.

So they're free to shop for the cars they've always wanted. And buy them.

In the last two years, our readers bought 2,425,000 brand-new cars. That's 18% of total U.S. sales. And 58% were intermediate-sized.*

Mature Americans have $400 billion to spend and Modern Maturity readers are the heart of this thriving market. Per capita income is 20% higher than U.S. households 18-44, with *twice* the discretionary income.

Our Moms and Pops are excellent prospects for all kinds of consumer goods and services. And they're yours at only $3.12 CPM for a color page.

Via Jim Sutherland. (212) 599-1880. Maturity Magazines Group, 420 Lexington Avenue, New York, NY 10170.

*1980 SMRB/Telmar Simulation

Modern Maturity
Our prospects are excellent.

performance figures at Marshall Field have been somewhat sluggish. In 1981, although the retailer had $1.19 billion in sales, up 17.9%, operating income increased by only 3.4% to $53.2 million from $51.4 million in 1980.

Among Batus' other retail holdings, the specialty stores—Saks Fifth Avenue, Kohl's department stores and Thimbles stores—have performed the best. In 1981, combined sales for the three units totaled $818 million, an increase of 16% over 1980.

Saks opened three stores in 1981—in Las Vegas, Nev.; Oak Brook, Ill., and San Francisco—giving the New York-based retailer 32 units across the country.

Kohl's department stores, positioned as a value-oriented merchandiser that lies between the discount store and the traditional store, opened four new units, three in Milwaukee and one in Rockford, Ill., the first one outside the Milwaukee area.

Thimbles, a specialty business that came into existence in 1980, is still in the development stage, the company said. The stores, located in suburban shopping centers in Detroit, Chicago, Milwaukee, Minneapolis, Short Hills, N.J., and Washington, specialize in women's fashions (particularly for career women) at popular prices.

In the department store category, Gimbels saw a 5.6% increase in sales in 1981 over 1980. Though the retailer shows signs of making some strides, especially in its Milwaukee and Pittsburgh units, it is still hampered by troubles in its New York stores, analysts said. But the parent company in recent years has attempted to revive the retailer through renovations and revised merchandising strategies.

The retailing division's food store unit—Kohl's food stores, with units in Wisconsin and Illinois—suffered from a 5.2% sales decline in 1981, compared with the 1980 total. The company attributed the drop to "increased competition and economic demands." Measured media advertising for the various retailers remained at about 1980 levels. For Saks, measured support totaled $2.2 million, about half of which went to spot tv, with most of the rest going to magazines. In 1980, Saks' spending came out to $2.5 million.

Measured media spending for Gimbels totaled $5.2 million—mostly in spot tv—up from the $4.3 million spent in 1980. Kohl's received $1.2 million in measured spending in 1981, all in spot tv. This was the same amount as that spent in 1980.

One B.A.T. holding with some marketing interest in the U.S. but not under Batus' aegis is Germaine Monteil cosmetics. In 1981, the various lines of cosmetics had measured media spending of $1.1 million, virtually all in magazines; this compares with $806,700 spent in 1980.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	45,909,600	$13,644,800
Magazines	61,167,800	32,823,900
Spot tv	7,722,800	6,765,500
Spot radio	13,600	33,500
Outdoor	27,793,200	26,169,300
Total measured	142,607,000	79,457,000
Unmeasured	56,694,860	16,300,000
Estimated total	199,301,800	95,757,000

BROWN & WILLIAMSON TOBACCO CO.

MARKETING PERSONNEL

S.A. Wallace, senior vp-mktg
R.A. Blott, senior vp-domestic mktg
T.E. Sandefur Jr., senior vp-intl mktg
T.F. Neville, mktg services director
G.T. Reid, group prod director, Kool, Belair, Raleigh, specialty tobacco prods
B.L. McCafferty, group prod director—new prods, Barclay, Viceroy
Senior brand mgrs: M.W. Schofield, Raleigh; L.R. Lewis, Kool
Brand mgrs: A.G. Forsythe, Viceroy; G.P. Ward, Belair; R.L. Chambers, Raleigh; S.M. Finley, new prods; P.S. Wessel, new prods; H.D. Steele, specialty tobacco prods
J.M. Coleman, media mgr
R.A. Veatch, brand promo mgr
T.J. Mooring, financial/admin mgr
B.L. Broecker, prod publicity mgr
Mike Steele, mgr-special mkts

ADVERTISING AGENCIES

Cunningham & Walsh/Chicago—Kool, Raleigh, Belair—Cindy Dillon, acct exec-Kool; Karen Daily, acct exec-Raleigh; Margo Conant, acct exec-Belair.

McCann-Erickson, New York—Barclay—Andrew Millar, acct super.

McKinney, Silver & Rockett, Raleigh, N.C.—noncigaret prods—Fred Schmidt, acct super.

Grey Advertising, New York—Viceroy—Bob Schoenfein, mgr-acct rep.

BATUS RETAIL DIVISION

CORPORATE PERSONNEL

C.I. McCarthy, chairman-ceo
H.F. Frigon, exec vp-chief financial & admin officer

MARKETING PERSONNEL

Saks Fifth Avenue

Paul Leblang, senior vp-mktg

Gimbels

Robert Gottlieb, senior vp-mktg, New York
Donald Oscason, senior vp-mktg and sales promo, Philadephia
Roger Elgar, vp-mktg, Pittsburgh
Roy Boutillier, senior vp-mktg, Midwest (Milwaukee)

Kohl's Food Stores

Arnold Zetcher, chairman-ceo
Daniel Joseph, president-chief operating officer

Kohl's Department Stores

William Kellogg, president-ceo
C. Natvig, director of mktg

Thimbles

Jay H. Baker, president-ceo

BATUS PAPER DIVISION

CORPORATE PERSONNEL

John J. Hangen, chairman-ceo
Thomas W. Busch, president-chief operating officer

MARKETING PERSONNEL

Appleton Paper Co.

J.W. Turner, vp-mktg
D.W. McIntosh, director of mktg
R.P. Scherrer, director of sales
R.D. Suess, director of adv and mktg services
E.D. Mendels, dirctor of intl mkt devel

Beatrice Foods Co.

	1981	1980
Sales*	$9,023,520,000	$8,772,804,000
Earnings*	390,136,000	304,211,000
Advertising*	170,000,000	148,750,000†

***Fiscal year ends Feb. 28**
****AA estimate**
†Revised

Beatrice Foods Co., Chicago, the 33rd largest national advertiser, had 1981 total domestic advertising expenditures of an estimated $170 million, a 14.3% increase from 1980.

Net sales for the company increased only 3% in fiscal 1982 to $9.02 billion, while earnings rose 28%. Beatrice attributed the minor gains to its switch to LIFO (last-in, first-out) inventory costing method, as well as to a change from the deferred to the flow-through method of accounting for tax investment credit.

The year 1981 was a transitional one for the diversified food company, one marked by a new twist in the acquisition and divestiture strategy it has been following. The extent of these changes became apparent in October, 1981, after Beatrice disclosed plans for a hostile tender offer for AMF Corp., White Plains, N.Y., for $912 million. Although the plan was dropped, industry analysts were surprised at the lengths Beatrice would go in order to expand its operations.

A company official said, "Unfriendly takeovers still aren't our style, but given the current climate, we may have to look at it as an option." A Paine, Webber analyst called the plan "as sharp a departure as you'll see."

James Dutt, chairman-chief executive officer, outlined new economic goals for his company, one of the country's largest food processors, including an increase of equity returns, now at 16.9%, to 18%, and a real growth rate of 5% a year. Divestitures and acquisitions obviously should play a key role in achieving these goals. Since his appointment in 1979, Mr. Dutt has been responsible for divesting operations that accounted for $1 billion in sales in 1979.

The most notable sale in 1981 was that of Dannon yogurt, sold to France's BSN/Gervais Danone for $84.2 million. The decision to sell the highly successful yogurt marketer was based on increasing competition and the rapid maturing of the yogurt market. Sales for Dannon had reached a high point in 1978, although the company has maintained its commanding 35% share of the yogurt market.

On the acquisition side of the ledger, Beatrice seems to be seeking larger food and beverage companies rather than many of the less sizable units upon which it built its empire. The company believes the beverage business will contribute to its long-term success, and that this focus will narrow its base of interest and make it more competitive.

This year, Beatrice paid a controversial $580 million for the beverage segment of Northwest Industries, a sum many industry analysts saw as excessive. The purchase included Coca-Cola Bottling Co. of Los Angeles and Buckingham Corp., a wine and liquor distributor. Although Beatrice's bottling acquisition and the Coca-Cola Co. are separate entities, press reports have noted that the Atlanta-based soft drink marketer's Minute Maid orange juice is a major competitor to Beatrice's Tropicana.

The purchase gives Beatrice an additional entry into the bottled water market with the bottling company's Arrowhead Puritas Waters and Great Bear Spring Co., and strengthens its position in the wine and spirits industry. Buckingham, a marketer of Cutty Sark scotch, also distributes Mouton-Cadet, the leading branded Bordeaux wine in the U.S.; Finlandia, the second-largest imported vodka, and Waterford Irish Cream liqueur, an entry in what has been among the hottest of liquor categories.

Despite criticism of the high price paid for the beverage business the company acquired from Northwest Industries, Tom Kemp, president of Beatrice's soft drink and bottled water division, speaks positively of the tradeoff, favoring the strength of the premier cola: "We're virtually everywhere in our market. When the product is available and reinforced with a strong image through advertising, that adds up to good sales."

In line with this thinking, the company recently purchased two more California-based Coca-Cola distributors, in San Diego and San Bernardino.

In conjunction with Beatrice's shift of allegiance in the beverage industry, the company's nine Royal Crown Cola bottling operations and Seven-Up Bottling Co. of Denver were sold. An agreement was reached in December, 1981, for a sale to a new company owned by Forstman Little & Co., soft drink division executives and private investors.

Meanwhile, among its current holdings, Beatrice increased its measured media advertising support by 48% across the board, up to $46.5 million from 1980's $31.4 million, according to Leading National Advertisers. The company altered its media distribution, increasing newspaper advertising 125% to $5.7 million for the calendar year, and magazine ads 192% to $12.4 million, compared with 1980's $4.2 million. In radio, the company made an even switch, cutting network expenses 60% to $223,100 from last year's $556,500, and increasing spot radio to $4.8 million, a 60% increase from 1980. The budget for network tv was trimmed by 16% this year, while spot tv grew to $15.8 million, an 8% increase.

Tropicana, the company's orange juice operation, had a troubled year, beset by adverse weather in Florida and legal problems. In late 1980, an administrative law judge for the Federal Trade Commission ruled that Beatrice's acquisition of the fresh fruit juice producer was unlawful under antitrust statutes, and that Beatrice must hand over all profits generated by Tropicana to the federal government since its acquisition in 1978. The FTC is reviewing the decision, and although Beatrice management expects a favorable outcome, industry speculation is that the possibility of losing Tropicana—and 61% of all Beatrice's beverage profits—has had an impact on the company's intent on acquiring beverage interests.

Although Tropicana, based in Bradenton, Fla., does not own any fruit groves, production, supply and distribution were adversely affected by the winter freezes in Florida, damaging 85% of the fruit crop. Tropicana buys about 15% of all citrus grown in Florida.

Former Tropicana chairman-ceo Ken Barneby resigned this year and was replaced by Richard Walrack, a Beatrice veteran from the dairy division. Mr. Walrack's appointment accompanies a push for renewed profit growth, and plans are being made to expand the Florida operation. Production capacity reportedly will be increased by 30 million gallons through a $15 million dollar enlargement of Tropicana facilities. Management hopes increased production will boost Tropicana's 24% share of the orange juice market, squeezed down from 30% when Beatrice acquired the company.

Total advertising expenditures for Tropicana increased 35% in 1981 over 1980, and measured media spending alone shot up 160% to $6.8 million, from $2.6 million in 1980. For the first time, other Tropicana juice products, including orange juice made from concentrate, are being supported by their own campaigns.

One such product is Tropicana's new Chugger, a shelf-stable, all-natural, 100% juice from concentrate available in orange, apple and grapefruit flavors. Although no ad budgets were disclosed for Chugger, the tv commercials created for the product achieved some notice when networks questioned the acceptability of the commercial's "Chuck the soda" theme, an interesting campaign in light of Beatrice's hope for growth through its new Coca-Cola bottling acquisition.

Also new at Tropicana is product differentiation, as the company now markets different grades of juice. A premium pack made from fresh juice is being promoted in commercials featuring Olympic decathalon-winner Bruce Jenner. In addition, to alleviate shortages caused by future winter freezes, the company has introduced Tropicana packaged in an orange carton and made from concentrate. The separation is expected to build product awareness. The company is also planning to revamp Tropicana's packaging.

Another step in beverage growth was the introduction in 1981 into Midwest-Mideast test markets of Cap 10, "the perfect adult thirst capper."

Beatrice is also concentrating on growth in the snack and confectionery division. In 1981, sales were $602 million, up 15% from $522 in 1980. Joining its battery of performers were new acquisitions: Good 'N Plenty, Good 'N Fruity and Rothschilds rolled candy bought by Beatrice's Switzer Candy Co. The company also purchased Callard Bowser & Nuttall, a subsidiary of Arthur Guinness & Sons in the U.K.

Eckrich meats, one of Beatrice's most successful companies, had sales of $678 million in 1981, down from the previous year's $689 million. Earnings were up to $53 million, from $50 million in 1980. The specialty meat company introduced nine products in 1982, including additional smoked sausage products, dinner franks and smoked ham. Eckrich had measured media spending in 1981 of $3.9 million, up 9% from 1980's $3.6 million.

La Choy food products gained 6% in sales this year, while earnings grew by 12%. The frozen foods division of La Choy increased measured ad spending 25% for the calendar year, while total ad spending grew 13% to $3.1 million from 1980's $2.8 million.

In November, 1981, Beatrice

Top 25 network tv advertisers

Rank	Advertiser	Expenditures 1981	Expenditures 1980
1	Procter & Gamble Co.	$393,236,000	$361,077,500
2	General Foods Corp.	238,297,900	201,488,400
3	General Motors Corp.	146,919,100	123,498,900
4	American Home Products Corp.	131,449,800	123,911,900
5	Ford Motor Co.	113,900,600	125,701,500
6	Bristol-Myers Co.	109,983,900	106,061,100
7	Philip Morris Inc.	99,558,800	97,377,900
8	Johnson & Johnson	97,132,300	90,471,500
9	Unilever U.S.A.	95,192,000	74,111,800
10	Sears, Roebuck & Co.	88,002,000	86,951,500
11	General Mills	86,408,500	75,751,000
12	Warner-Lambert Co.	76,834,200	63,167,100
13	Gillette Co.	76,429,900	59,509,700
14	Anheuser-Busch Cos.	73,612,500	65,423,500
15	American Telephone & Telegraph	68,926,800	57,388,100
16	PepsiCo Inc.	68,788,100	88,822,100
17	Richardson-Vicks	67,624,700	49,885,200
18	Kellogg Co.	67,260,000	59,803,200
19	Ralston Purina	66,713,500	73,386,200
20	Coca-Cola Co.	61,023,500	57,897,300
21	Nabisco Brands	60,046,300	39,151,400*
22	Pillsbury Co.	59,265,500	53,254,900
23	Sterling Drug	55,410,700	57,406,800
24	Beecham Group Ltd.	54,912,900	43,523,800
25	Chrysler Corp.	54,874,400	65,289,900

*Prior to merger with Standard Brands. In 1980 Standard Brands spent $5,942,100.

Source: Net time and program costs from Broadcast Advertisers Reports and supplied to Leading National Advertisers.

formed a joint venture in the People's Republic of Chi with Canton's municipal government to produce canned fruits and vegetables, as well as citrus juices and soft drinks. Plans call for the plant to produce goods for export and the Chinese market.

In its consumer, industrial and chemical segment, Beatrice maneuvered to acquire Louver-Drape Co., the vertical blinds maker, while it sold Buxton Leathers, including the line of Bill Blass designer products.

Samsonite, Beatrice's luggage marketer, experienced a decline in domestic sales, but volume increased abroad.

Measured media support for Samsonite was cut 37% during the year, to $2.6 million, as the company switched to pricing promotions. But spending is expected to increase in fiscal 1983 to support a number of new products.

Another Beatrice unit, Culligan International, experienced sagging domestic sales, but gains abroad helped bring revenues by some estimates to $400 million in fiscal 1982. Culligan's ad expenditures jumped from $5 million to $8 million during the year, and dealer prices were cut up to 15% in an attempt to regain its 25% share of the domestic household water conditioning market. Its share has dropped to 14.5% while maintaining a 21% share of commercial markets. Culligan advertises primarily through spot tv.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$5,736,800	$2,545,500
Magazines	12,380,300	4,226,700
Farm publications	1,019,300	956,400
Spot tv	15,833,000	14,715,300
Network tv	4,473,000	5,346,100
Spot radio	4,752,400	2,969,500
Network radio	223,100	556,500
Outdoor	2,149,100	123,300
Total measured	46,567,000	31,439,300
Unmeasured	123,433,000	117,310,700*
Estimated total	170,000,000	148,750,000*

*Restated

MARKETING PERSONNEL

Dairy Division

Richard L. Chisolm, division president
Ralph Hallquist, dairy mktg director

Grocery Division

Duane Daggett, exec vp-grocery specialties, confectionary & snacks, bakery

Confectionary & Snacks Division

B. Robert Kill, division president

Soft Drink Division

William S. Mowry Jr., division president

Specialty Meats Division

William L. Dehaven, vp-division president

Consumer Arts Division

James Weiss, exec vp-consumer, industrial & chemical
Thomas Mitchell, division exec vp

Leisure Products Division

James Weiss, exec vp
Vernon Davidson, division president

Chemical Division

James Weiss, exec vp
Harry C. Wechsler, vp-division president

Agriproducts Division

Donald G. Stephens, division president

International Foods Division

William W. Granger Jr., exec vp-division president, intl foods
Anthony Luiso, vp-division exec vp

ADVERTISING AGENCIES

Ayres & Associates, Lincoln, Neb.—Snow Co.—Roy Bridge, acct exec.

Benton & Bowles, Chicago—Stiffel Co.—Carol Slinger, vp-acct super; Barbara Nielsen, acct exec.

Benton & Bowles, New York—Peter Eckrich & Sons—Arthur Selkowitz, senior vp-mgmt super; Ren Drews, vp-acct super; Thomas Bollum, acct exec, Erica Gillespie, asst acct exec.

Colle & McVoy, Minneapolis—Sanna Instituitional—Tim Tischer, acct super, Pat Feahr, pr acct exec.

Creamer Inc., Chicago—Charmglow, Mid West Co.—(Charmglow) Edward M. Hechtman, senior vp-acct mgr (acct super); William Spivey, vp-acct exec; (Mid West Co.) Dennis G. Morgan, acct exec.

Cummings/McPherson/Jones & Porter, Rockford, Ill.—special products division, Dell Food Specialties, Sanna industrial division—William W. Jones, president, Larry C. Schubert, vp.

Cunningham & Walsh, Chicago—Aunt Nellie's Foods, Beatrice Frozen Specialties, LaChoy Food Products—Alan Bloomfield, mgmt super; Stanlee Kucaba, acct super; Andrea Barr, acct exec.

Dailey & Associates, Los Angeles—Rosarita Mexican Foods—Jay Heller, acct super.

Eric Ericson & Associates, Nashville—Martha White Foods—Harlan Hauskins, vp-acct exec; Lee Zimmerman, associate acct exec.

Fox, Sweeney & True, Denver—Seven-Up Bottling Co. of Denver—Ken Custer, vp-acct super, Sally Ribley, media director.

Garfield-Linn & Co., Chicago—World Dryer Corp.—Bill Dickinson, vp-acct super, Pattie Sheehan, acct mgr (acct exec).

Geisz & Rose Advertising, Los Angeles—Imperial Oil—Emory Geisz, president, Norma Nieson, intl acct director.

Hackenberg, Normann, Krikovich/CK, Chicago—Culligan International—Frederick Franz, vp-acct super.

Hicks & Greist, New York—County Line Cheese—William Roper, chairman of exec committee; John L. Ferguson, acct super.

Hoffman York & Compton, Milwaukee—Brillion Iron Works— Frank Dysarz, acct super.

Krupnick & Associates, St. Louis—Switzer candy—Tom Connelly, president; Robert Mudd, acct exec; Donna Hyde, media director.

Kurtz & Tarlow, New York—Buxton—Leo Goldman, senior vp-mgmt super.

Mandabach & Simms, Chicago—Bloomfield Industries—Irv Simms, president, Susan Holleb, acct exec.

Marsteller Inc., Chicago—John Sexton Co.—James Reiners, group vp, Sexton; Donald Brashears, vp-mgmt super, Robert Abell, acct exec. Vogel-Peterson—Philip Anderson, vp-mgmt super, Susan German, acct exec.

Fred A. Niles Marketing Systems, Chicago—Meadow Gold dairy division—Fred Niles, president, R. Hamilton, acct exec.

PGM Studios, Chicago—Chicago Specialties Mfg. Co.—Martin Patinkan, vp.

Martin Ruosa/Creative Group, Fort Lauderdale—Standard Drywall Products—Martin Ruosa, president.

J. Walter Thompson USA, New York—Samsonite luggage—Garth Hallberg, senior vp-group acct director, Rick Hendee, vp-mgmt super.

Three Arts, Cedar Rapids, Ia.—Vigortone prods—Stanton L. Priske, president.

Beecham Group Ltd.

	1981	1980
Sales*	$2,947,950,000	$2,676,100,000
Earnings*	458,848,800	337,300,000
Advertising**	69,123,200	56,615,500

*Worldwide figures, AA conversion
**AA estimate

Beecham Group Ltd., Clifton, N.J., the 77th largest national advertiser, spent an estimated $68.4 million in advertising in 1981, a 22% increase from last year's $56.6 million. Worldwide sales for the company increased 10.2% in 1981, up to $2.95 billion.

An increasingly aggressive presence in new product categories, such as skincare and liquid soap, and increased spending for established cosmetics contributed to the increase in ad expenditures.

Beecham changed its media mix substantially this year. Newspaper advertising increased 71% in 1981, farm publication spending grew by 50% and magazine ad spending was up 11%. Expenditures for national tv, the biggest ad medium, were $54.9 million, an increase of 26% from 1980.

The Beecham Group has two consumer products groups in the U.S. The Jovan division handles the company's Jovan, Yardley of London, Lancaster and Beecham cosmetics products.

In May, Jovan entered the suncare products category with Dial-a-Tan with a $2 million ad campaign hyped, "the most revolutionary suncare products in the history of the world."

Jovan is also planning a fall introduction of Glacier men's aftershave, a moderate priced item, and Island Gardenia, a gardenia-based perfume and cologne, using magazines only, according to David Miller, director of advertising for Jovan.

Jovan's creme soaps, introduced in October, received $163,600 of ad support in the last three months of 1981, all in consumer magazines.

Jovan division acquired a new subsidiary called OMNI, which expanded into children's toiletries with a 12-item "Star Wars" line this summer. Network tv broke in July.

Courting other star frontiers, Jovan Inc. signed with Mick Jagger & Co. as sponsors of the Rolling Stones' 45-city U.S. tour to promote its fragrances. Jovan also offered a Stones poster for $1 to customers buying $5 in products and staged a radio contest promotion in about 180 markets.

Beecham Cosmetics' Vitabath, a bathing gel product, received a measured spending increase of 130% this year, boosted to $449,200 from 1980's $188,700. A new campaign touts the bath gel as the "ultimate dimension of bathing."

Yardley of London, another division of Jovan, made its first venture into skincare with the introduction in February of Yardley Liquid Complexion soap and the launch in spring of Yardley of London Aloe Vera, with ads themed, "How to make your skin the best it can be. How to keep it that way." No ad budgets were revealed.

Advertising for Yardley's liquid toilet soap jumped 120% to $1.2 million with $312,200 to magazines, $94,900 to spot tv and $807,900 to network tv, an area that was not used at all in 1980. In addition, Yardley soaps increased advertising to $245,300 in 1981, after spending only $2,000 in 1980.

Aqua-fresh, Beecham's entry in the toothpaste market, holds a competitive 13.5% share of the market only three years after its introduction. Positioned as a decay fighter as well as a breath freshener, the brand is third only to Procter & Gamble's Crest (No. 1) and Colgate-Palmolive's Colgate. Measured media support for Aqua-fresh came to $21.6 million this year, a scant 1.5% increase from 1980's $21.3 million.

Aqua-fresh recently launched a new version, with the addition of a red stripe. The brand was reintroduced as "triple protection" Aqua-fresh. Spending for this push is not reflected in measured media figures as yet.

Beecham Group's parent company, Beecham of London, spent $3.9 million in a June, 1981, for the launch of a liquid soap product, Supersoap. A similar product called Sameta, made by Beecham's German subsidiary, Lingner & Fischer, was introduced in Germany in November, 1981.

Spending for Sucrets lozenges and Sucrets children's lozenges decreased 3% in 1981, down to $4.9 million. Hold cough suppressant cough drops maintained 1980's spending level at $2 million, all in net tv.

Cling Free fabric softener increased advertising expenditures 35% this year, from $5.4 million to $7.3 million; $7.2 million went to buys in net tv.

Massengill disposable douche and Massengill medicated douche increased measured advertising support for the two products 81% this year, to $7.9 million from the previous year's $4.4 million.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$106,800	$63,500
Magazines	5,365,400	4,854,800
Farm publications	740,300	494,100
Spot tv	5,175,100	8,424,000
Network tv	54,912,900	43,523,800
Spot radio	98,300	13,300
Total measured	66,400,800	54,364,500
Unmeasured	2,723,400	2,251,000
Estimated total	68,123,300	56,615,500

MARKETING PERSONNEL

Beecham Products Divsion

R.A. Snell, vp-mktg
R.F. Creighton, vp-mktg
R.M. Lancaster, sales

Jovan Inc.
(Yardley of London,
Beecham Cosmetics,
Lancaster Cosmetics
and OMNI)

R.E. Meyer, president and ceo
B.E. Shipp, exec vp
W.L. Henderson, vp-sales, Jovan
T. Measday, vp-genl mgr, Yardley
J. Small, vp-sales, Yardley
M. Dietz, natl sales mgr, Beecham Cosmetics
A. Kessler, vp-mng director, Lancaster/Beecham Cosmetics
Don Degan, vp genl mgr, OMNI
Bill Gould, natl sales mgr,OMNI

Beecham Laboratories Division

M.M. Jones, exec vp
T.G. Wood, vp sales & mktg
G. Cowell, veterinarian sales and mktg mgr
T. Harrison, mktg mgr
W.F. DeVinney, natl sales mgr

ADVERTISING AGENCIES

Bozell & Jacobs, Chicago—Yardley of London—Peter Werner, vp, mgmt rep; Kathleen Russell, acct exec.

Frank J. Corbett Inc., Chicago—ethical pharmaceuticals—Don Courtney, senior vp; John Kopacz, acct exec.

Cunningham & Walsh, New York—Calgon water conditioner, Calgonite, Cling Free, Fruit-Fresh, Brylcreem, N'Ice, new prods—Warren Albright, group acct director; Roger Groves, mgmt super; Craig Barnes, acct super; Alex Walker, Michael Healy, acct execs.

Grey Advertising, New York—Sucrets, Hold, Calgon bath prods, Aqua-fresh, Massengill, new prods—Bob Burross, senior vp, Mel Sokotch, vp-mgmt super, Larry Geiger, vp-mgmt super.

Charles Tombras & Associates, Knoxville—veterinary pharmaceuticals—Guy Seymour, acct exec.

J. Walter Thompson USA, Chicago—Jovan cosmetics and perfumes, Vitabath, OMNI Star Wars soap line—Harvey Scholnick, senior vp, group acct director; Dinny Cosyns, senior acct super; Alan Rose, Susan Geddes, acct reps.

Borden Inc.

	1981	1980
Sales	$4,415,174,000	$4,595,795,000
Earnings	159,939,000	147,863,000
Advertising*	44,019,000	51,895,700

*AA estimate

Borden Inc., Columbus, O., is the 92nd largest U.S. advertiser. Advertising expenditures in 1981 of $44 million (according to AA estimates) showed a 15% decline over 1980 figures. Sales declined 3.9% to $4.4 million, down from $4.6 million in 1980. Earnings, however, were up 8.2% in 1981, with a showing of $159.9 million as opposed to the previous year's figure of $147.9 million.

For the first quarter of 1982, net earnings included an after-tax gain of $17.6 million or 61¢ a share from the January, 1982, sale of three Pepsi-Cola franchises and provisions for losses on the disposal of other operations.

For the first six months of this year Borden reported a 6.6% increase in net income to $77.2 million and a 13% decline in sales to $1.97 billion.

Borden's chairman-chief executive officer, Eugene J. Sullivan, said income from ongoing operations of the consumer products division was "moderately" ahead of last year despite the loss of income from its Pepsi-Cola bottling business. The company sold the three bottling franchises to the Pepsi-Cola Bottling Groups (a subsidiary of Pepsico) on Jan. 25, 1982. The sale of the franchises essentially concluded the disposal phase of Borden's assets redeployment program first announced in July, 1980. The consumer products division also withdrew from the nut processing and natural cheese businesses.

Mr. Sullivan said the excellent performance of the pasta, bakery and dairy operations enabled the division to increase operating income from last year's level. The "sharp drop" in the chemical division income for the first quarter of 1982 was blamed on "near catastrophic" conditions in the housing and automotive industries, and higher natural gas costs of $9.6 million. The chemical division is a major supplier of adhesives to the forest products industry and of polyvinylchloride resins and vinyl materials to the housing and automotive markets.

On June 1, Borden acquired Du Pont Co.'s line of car care products, including waxes, polishes, cleaners and sealants under Rain Dance, Rally, and No. 7 brands and "performance" products such as radiator chemicals and gasoline additives under the Du Pont trade name. The line was assigned to the home and professional products group of the consumer products division, with advertising to Grey, Lyon & King.

In the summer of 1981, Borden's dairy division entered the fruit juice category with an aseptically packaged orange juice called Sippin' Pak. The product is still in test market. Another new product that will be rolled out nationally after being test marketed in Albany, N.Y., and Charlotte, N.C., is Cracker Jack Extra Fresh Popping Corn.

The company's earnings over the past five years have shown steady increase. There was a loss of income of $40 million in 1981 from operations that had been divested—but the operating divisions more than made up this amount.

Borden's priority for the future is to channel its resources into fewer areas of business, those that provide the highest return and show the greatest growth potential. Consumer products and chemical products for specialty markets can be expected to benefit from this commitment.

Eagle Brand sweetened condensed milk showed substantial sales with heavy tv and print advertising support (expenditures for network tv increased by $2.2 million in 1981) positioning it as "America's dessert maker." The Borden powdered drink mix line increased volume and market share with the national rollout of ReaLemon lemonade crystals and expansion of the Wyler's unsweetened line. Wyler's will test market a line of drink mixes artificially sweetened with aspartame this year. Orange Burst, a new instant breakfast drink, continued to be test marketed with results satisfactory to the company.

The grocery products group's cheese operations withdrew from the packaging of natural cheeses for sale to retail, in keeping with the redeployment program. Cheese manufacturing operations were consolidated at one plant in Wisconsin, reducing operating costs. Borden continued its No. 1 position in the diet/health segment of the cheese market, with the national rollout of Lite-line Swiss slices. Increased ad spending and promotion (the major portion going to network tv) contributed to the strong performance in this category. Country Meadow slices (a low-cholesterol product) and Cheez Twin slices (a cheese substitute) continued in test market.

The snacks group's corn-based snacks had a good year. Cheez Doodles had a 15% gain in sales, with $689,000 of the ad budget going to spot tv. Corn Crunchies, Borden's entry into the corn chip market, showed sales up 68%, and sales of Wise tortilla chips were up 17%. Single-serve snacks made from ingredients other than corn or potatoes were introduced; also introduced was a no-salt-added potato chip.

The specialty products group includes the consumer products division's confections, pasta and Galloway-West operations, which produces cheese cultures used by the dairy operations and sold to cheese factories.

Cracker Jack's sales growth was helped by a $6 million "Super Surprise Sweepstakes" promotion and by the addition of flexible-bag packaging for Cracker Jack candied popcorn.

Borden's pasta products, under the Creamettes brand, gained greater penetration into the Midwest and expansion into new markets in the West. Pasta operations were bolstered by Borden's acquisition of National Food Products, New Orleans, which is the largest distributor of pasta in its market area.

Borden's bakery operations, under the Drake's brand, expanded its snack cake line with two entries in the large volume sponge cake market—strawberry and banana—and Fudge Mates, a new cupcake entry.

Elsie the cow played a major role in dairy product promotions. The cartoon was featured in all the group's advertising, and Elsie, on the hoof, even took part in the Mardi Gras.

In the chemical products group, the Krylon line of spray paints, backed by $2.4 million in ad support, registered a good performance in 1981. The Elmer's line of adhesives and sealants ($2.99 million total ad expenditures in 1981) gained from a strong market in do-it-yourself home improvement.

ADVERTISING EXPENDITURES*

	1981	1980
Newspapers	$2,283,500	$1,799,900
Magazines	4,775,100	4,441,500
Farm publications	—	161,300
Spot tv	6,227,600	7,733,600
Network tv	17,894,700	17,589,000
Spot radio	1,013,800	2,385,900

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INSIDE INFO FROM:

- Harvard Business School Professor, **Richard Tedlow**
- WALL STREET JOURNAL Staff Reporter, **Stephen Sansweet**
- Doyle Dane Bernbach Advertising Executive, **Gerald Bagg**
- Media Horizons, Inc. publisher of Marketing Communications and Videography Magazines, Chairman of the Board, **Joel W. Harnett**
- Twentieth Century Fox Film Corp. National Promotion Director, **Bill Minot**
- Columbia Pictures Merchandising Vice President and General Manager, **Lester Borden**
- AFP Inc., Associated Film Promotions President, **Robert H. Kovoloff**

SUCCESS STORIES

Top executives from some of the nation's outstanding consumer product companies

- D.L. CLARK CO., Division of Beatrice Foods, Inc. Vice President Customer-Trade Relations, **John Clampitt**
- WILD TURKEY Senior Brand Manager, **Maralyn Jerome**
- HAWAIIAN TROPIC Tanning Research Laboratories, Inc. President, **Ronald Rice**
- TIMEX CORP. Director, United States Marketing, **Paul Kulavis**

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Some of the nation's top marketing executives, including Mr. Robert H. Kovoloff, considered a leading authority on product placement in motion

Network radio...	1,518,700	1,575,000
Outdoor..........	182,500	134,500
Total measured	33,875,900	35,820,700
Unmeasured**.	10,143,100	15,875,000
Estimated total.	44,019,000	51,695,700

*From AA's usual sources
**1981 figure provided by the company

ADVERTISING EXPENDITURES*

	1981	1980
Newspapers......	$3,926,500	$1,560,300
Magazines.......	8,020,900	6,120,000
Farm publications	125,600	125,000
Spot tv..........	11,379,100	8,630,000
Network tv.......	13,548,600	15,200,100
Spot radio........	1,212,600	600,000
Network radio...	212,600	1,200,000
Outdoor..........	411,900	200,000
Other.............	3,667,600	—
Total measured	42,505,400	33,635,400
Unmeasured...	10,143,100	13,100,000
Estimated total.	52,648,500	46,735,400

*Provided by the company

CONSUMER PRODUCTS DIVISION

MARKETING PERSONNEL

Frank V. Forrestal, president
George J. Waydo, group vp-snacks
T.O. Doggett, group vp-home and professional prods
Jon G. Hettinger, group vp-grocery prods
Jerry R. Pulley, group vp-specialty prods
Robert P. Kirby, group vp-dairy
S. L. Vladimer, vp-genl mgr-bakery prods
Herb A. Southwell, vp-genl mgr-confectionery
John Dix, vp-mktg, grocery prods
Lee Arst, vp-mktg, refrigerated prods
Peter Duggan, vp-mktg, snacks
Tom Hagerty, vp-mktg, dairy division
Dick Ballard, vp-mktg, confectionery division
Karen Johnson, vp, consumer affairs
Rodney R. Russell, vp, product and mkt devel
Frederick P. Schindler, mgr adv services

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Bama Foods, Wyler's iced tea, ReaLemon, instant breakfast drinks, Sippin' Pak fruit juice, Wyler's drink mixes—Bruce Beach, mgmt super.

Grey Advertising, New York—Cremora coffee lightener, Eagle Brand condensed milk, cheese products, Cracker Jack, Deran candies, Campfire marshmallows, Snow products, NoneSuch, Wyler's soups and bouillon—Tony Thurston, mgmt super.

Bozell & Jacobs, New York—Drake Bakeries, Kava instant coffee, Bama peanut butter—Charles LaRosa, mgmt super.

Caldwell/Reingold Group, New York—military sales—Harry Reingold, mgmt super.

Tracy-Locke/BBDO, New York/Dallas—ice cream and milk products—Rod Underhill, mgmt super., Dick Nye, acct. super.

McDonald & Little, Atlanta—Wise snacks, Old London snacks—Lauren Gehringer, mgmt super.

Grey, Lyon & King, New York—Elmer's adhesives, Krylon aerosol prods, Wall-Tex wall coverings, Car Care prods—Bob Witt, acct. super.

Al Paul Lefton Co., New York—Jean Patou's Joy, Caline Moment Supreme perfumes—Bill Wolfston, acct super.

CHEMICAL DIVISION

MARKETING PERSONNEL

R. W. Gutheil, president
David Gordon, vp-mktg, Columbus coated fabrics, industrial and auto
R. T. Paul, vp-mktg, Columbus coated fabrics, wall covering
Richard Lockman, president, cosmetics and toiletries
J. J. Pointer, chairman, Smith Douglas' agrichemicals

ADVERTISING AGENCIES

Lord, Sullivan, Yoder, Marion, O.—Columbus coated fabrics, industrial film prods—Bob Ackerman, acct super.

Bristol-Myers Co.

	1981	1980
Sales.........	$3,496,700,000	$3,158,300,000
Earnings.....	305,800,000	270,600,000
Advertising*.	200,000,000	196,286,400

*AA estimate

Bristol-Myers Co., New York, the 20th largest national advertiser, is estimated to have spent approximately $200 million on domestic advertising in 1981, a modest gain over the $196.3 million spent in 1980, but still below the more than $210.6 million spent in 1979. According to Television Bureau of Advertising figures, tv spending was down 3% last year to $121.5 million.

The company's reported worldwide advertising and product promotion expenses of $555.3 million showed a more than 8% increase over the $513.2 million spent in 1980.

The company had record sales of $3.5 billion, an 11% increase over 1980. Net earnings rose 13% to $305.8 million, following increases of 17% and 14% in 1980 and 1979, respectively.

Bristol-Myers markets more than 1,000 products in 100 countries. Its products are grouped into four industry segments: Toiletries and beauty aids, nonprescription healthcare, household, pharmaceutical and medical products. All four segments posted sales and earnings gains last year. The pharmaceutical and medical segment is the company's largest and most profitable segment and contributed 37% of total sales in 1981, with a 13% sales gain. Pharmaceutical, nutritional and medical product sales have been growing at a faster clip than consumer products. The toiletries and beauty aid business segment comprised 25% of the company's total 1981 sales. Sales and operating profit for nonprescription healthcare products were 18% higher last year, and household product sales were up 8%.

For the first half of 1982, worldwide sales were $1.76 billion, a 3% gain over 1981's opening six months. Net earnings meanwhile increased 16% to $160.5 million.

Bristol-Myers is the leading seller in the growing domestic nonprescription drug market, where its sales constitute a 9% share of the total market. Last year's 18% gain in nonprescription health product sales produced a yearend sales volume of $888.7 million. The operating profit margin, meanwhile, topped 19% for the third straight year.

To hold onto the eye-popping sales gains its Comtrex multi-symptom cold remedy has chalked up since its debut in 1978, the company boosted spending for the line by at least $3 million, according to measured media figures. The measured media total of $14.7 million is up from 1980's $11.8 million, and is double what it was the year before. The Comtrex line expanded with the introduction of Comtrex Nighttime cold medicine, which received $2.6 million in measured support, with $2.4 million spent on tv. A Maximum Strength Comtrex Nighttime formula is also now on the market. An aggressive door-to-door sampling campaign for Comtrex in the Albany market, aimed at fighting off some newly introduced competition there, drew some criticism during the year.

The company also tested Extra D/M high potency multi-symptom cold remedy in North Carolina test markets.

Extra Strength Bufferin was introduced last year, and was

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Top 25 outdoor advertisers

Rank	Advertiser	Expenditures 1981	Expenditures 1980
1	R. J. Reynolds Industries	$50,253,900	$42,563,200
2	Philip Morris Inc.	41,809,000	31,491,200
3	B.A.T. Industries PLC	27,793,200	26,169,300
4	Loews Corp.	25,041,000	21,676,100
5	Seagram Co. Ltd.	13,445,700	11,652,000
6	American Brands	10,086,000	10,787,700
7	National Distillers & Chemical Corp.	7,373,000	5,931,900
8	Hiram Walker Resources Ltd.	7,128,700	5,109,700
9	Heublein Inc.	6,307,500	6,904,700
10	Brown-Forman Distillers Corp.	6,226,600	5,578,900
11	General Motors Corp.	3,809,000	7,972,200
12	McDonald's Corp.	3,682,800	3,185,100
13	Rapid-American Corp.	3,432,000	3,161,400
14	Coca-Cola Co.	2,878,000	3,035,400
15	Liggett Group	2,874,300	2,037,400
16	Norton Simon Inc.	2,510,100	2,254,600
17	Eastern Air Lines	2,403,700	1,910,700
18	Jos. E. Schlitz Brewing Co.	2,328,400	387,400
19	Beatrice Foods Co.	2,149,100	123,300
20	Holiday Inns	2,126,800	2,031,100
21	Nippon Gakki Co. Ltd.	2,089,500	982,700
22	Anheuser-Busch Cos.	2,058,600	1,311,400
23	Bacardi Imports	2,009,000	1,592,900
24	Schering-Plough Corp.	1,816,800	1,388,300
25	Toyota Motor Sales	1,775,100	1,542,500

Source: Leading National Advertisers, in cooperation with the Institute of Outdoor Advertisers and the Outdoor Advertising Assn. of America.

backed with $10 million in measured media spending. Of that, $8.7 million of it went to tv, and $1.4 million was spent in magazines, using the campaign theme: "The pain stops here." Extra Strength Excedrin got a five-fold measured media spending increase last year, and went from $3.3 million of measured support in 1980 to $15.7 million last year. About $14.1 million was spent in tv and $1.6 million in magazines. Excedrin PM, meanwhile, received $2.8 million in measured support. Total Excedrin sales amount to roughly 7% or 8% of the U.S. analgesic market. Congespirin received $1.7 million in measured support, and 4-Way nasal spray received over $2.2 million.

In the deodorant category, market leader Ban Roll-On received $8.5 million in measured support last year, up from 1980. A new Extra Strength Ultra-Ban was introduced and was backed with an $8 million campaign.

To help its major products get off to a solid 1982 start, Bristol-Myers set aside $10 million of this year's national ad budget for distribution to retailers for local tv and radio buys during the first half of the year. The money was distributed according to the amount of products the retailers purchased during 1981's closing six months.

Hemcare, a contender in the $90 million a year hemorrhoid remedy market, was tested in southeastern U.S. cities last year. The company has been trying to get into this market since 1975, when it tested what was then called Hemtrex. It was withdrawn and later reappeared in test markets in 1980.

Clairol is the dominant marketing force in the haircoloring market and its sales add up to an estimated 60% of that market's total sales. Leading products are Nice 'n Easy, which has about a 16% market share; Loving Care, which has a 13% share; and Clairesse, with about a 5% share. According to Clairol executives, Nice 'n Easy and Loving Care sales in 1981 were well ahead of 1980 sales. Final Net, meanwhile, continued to hold down its position as the leading hair fixative.

Clairol's most heavily advertised products, according to the measured media figures were: Nice 'n Easy, which got nearly $7.3 million in ad support (including $5.2 million in tv, with the remainder going to magazine and newspaper supplement support; Clairol Loving Care, which got $6.7 million; Clairol Final Net, $6.7 million; the Clairol conditioner line, backed by over $6 million in spending; Clairesse, $4 million; Miss Clairol color shampoo, which got $3.8 million in tv support; Miss Clairol with color hold, which got $1.6 million in magazine support, and Clairol Frost and Tip haircare kit, which got $1.3 million.

On the new product front, Kindness Body Wave was introduced to the market in December. A $7 million introductory campaign, featuring $4.2 million in network tv and the rest in women's magazines and newspapers, supported the introduction, along with a refund offer, sweepstakes and couponing.

Clairol's ad campaign for Body on Tap shampoo, which focused on comparisons with Sassoon shampoo, got Clairol involved in litigation, and the campaign was eventually discontinued.

As a group, Clairol beauty appliances got a total of $1.4 million in measured media ad support last year. The Clairol Foot Fixer Massager topped $1 million in measured spending but that was a loss from 1980, when it was supported with a budget of nearly $1.4 million. Clairol Kindness hairsetter received approximately $1 million. The division launched several high-tech appliances in 1981, including the Clairol Custom CareSetter, featuring smooth surfaced rollers; the Clairol SST Electronic hair dryer, and the Clairol Kindness Quartz hair dryer, for curly hair.

The company's household products, marketed through the Drackett division, include Windex glass cleaner, Drano drain opener, Vanish bowl care product, Behold and Endust furniture care products, Renuzit air freshener, and O'Cedar mops and brooms. Windex received $4.9 million in measured media spending last year. Drano liquid received $3.1 million, Drano powder got $1.6 million, and Endust received nearly $2 million.

Drackett's Vanish toilet bowl cleaner suffered a vanishing share of market in the face of introductions by several competitors of chlorine-action cleaners. Ads promoting Vanish as "tough on stains, safe on plumbing," helped turn the tide on the declining market share but embroiled Drackett in legal battles with the competition, which charged Drackett with running a disparagement campaign.

An advocate of self-produced programing, Bristol-Myers was one of the first major advertisers to get involved in syndicated tv, sponsoring a variety of syndicated shows in the last decade. The longest running of them is the "In Search of" series, which it uses as a network and spot tv supplement for its major brands. Just as it views syndicated tv as a supplementary ad vehicle, it increasingly is viewing cable tv.

The major cable event was a 10-year, $40 million deal with the USA Network to produce and sponsor the "Alive and Well" health, beauty and life style show, aimed at the women's market. Another major cable deal was a six-figure buy on the ESPN all-sports network. That buy, for Vitalis, for the final commercial break on more than 200 collegiate sports telecasts, also includes options that could see more than $2 million in Vitalis ad money going to ESPN in the next few years.

Other cable ventures include sponsorship of a monthly movie on WTBS, and two-minute medical news bulletins on the Cable News Network. Bristol-Myers executives view cable as a vehicle to promote promising products not heavily advertised, an experimental forum where they can test commercial lengths and patterns, and a vehicle to provide supplementary ad exposure for major brands. With its increased cable tv involvement last year, Bristol-Myers now reaches about 75% of the more than 20 million cabled households in the country.

Internationally, Bristol-Myers markets its pharmaceutical, nutritional and consumer products through its international division and through subsidiaries and distributors. Antibiotics, cardiovascular and anti-cancer products are its major product categories. The major consumer product markets are Europe, Latin America, Australia and Asia, where the important brands include Nice 'n Easy and Miss Clairol haircolorings and Mum deodorants, Clairol Herbal Essence and Body On Tap shampoos. Mum 21, a fragranced deodorant spray, is reportedly doing well in several European, Latin American and Asian countries.

The company's Zimmer USA division is a leader in the biomedical implant field and manufactures and distributes orthopedic, surgical, patient care and hospital products. It had a record sales year, with significant increases in the sales of total knee and hip prosthesis. Several innovative new products were introduced, including a voice prosthesis. Zimmer is also entering diagnostics with an arthroscopy system for visualization of joint surfaces inside the body.

Bristol-Myers is also a major force in the dental products market. Its Unitek division manufactures and markets a wide range of products for orthodontists, endodontists, and other dental specialties, as well as for general dentists and dental laboratories. Professional Positioners Inc., a domestic subsidiary of Unitek, manufactures custom-made positioners and retainers for orthodontists. The Pelton & Crane division, meanwhile, is a designer and marketer of a range of dental products, but is best known for its dental chairs, autoclave sterilizers and operating lights.

Early in 1982, a new science and technology division was formed. The unit includes the industrial division.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$1,488,100	$2,631,400
Magazines	23,646,500	18,366,700
Spot tv	11,636,300	21,037,700
Network tv	109,983,900	106,061,100
Spot radio	4,397,000	2,663,100
Outdoor	221,000	316,300
Total measured	151,504,700	150,996,300
Unmeasured	48,495,300	45,290,100
Estimated total	200,000,000	196,286,400

CORPORATE MARKETING PERSONNEL

Marvin Koslow, vp-mktg services
Harry Levine, vp-corp communications
Robert L. Turner, director-adv services
Richard J. Glosman, director-media & programing services
Santo A. Critelli, director-Boclaro
Marion A. Klein, director-corp rsch services
William Liptack, Leo Hoffman, Alan Yoblon, assoc directors, Boclaro

BRISTOL-MYERS PRODUCTS DIVISION

MARKETING PERSONNEL

Frank K. Mayers, president
Joseph G. Kelnberger, exec vp
Robert P. Viarengo, senior vp
John J. Sheedy, vp-mktg
Nicholas Cannistraro, vp-mktg-analgesics
Peter J. Spengler, vp-adv serv
Mark S. Rothman, group director-deodorant/antiperspirants
John B. Carles, group director-haircare
Joseph J. Morano, vp-sales promo/merch
Walter R. McCurdy, vp-sales
Peter D. Orahovats, vp-scientific
Melvin D. Harbinger, mkt rsch director
Leonard Chavki, vp-mkt devel

ADVERTISING AGENCIES

Grey Advertising, New York—4-Way nasal spray, Congespirin cold tablets, liquid and cough syrup for children—Art Rosen, senior vp; John Grace, vp.

Laurence, Charles & Free, New York—Ban line, Ultra Ban line, Comtrex, Ammens, Bufferin, Arthritis Strength Bufferin—Martin Smith, exec vp; Bonnie Piven, senior vp; Al Magnane, acct super; Al Evans, senior vp.

Doyle Dane Bernbach, New York—Tickle—John Leonard, group senior vp; Rein Luik, senior vp, mgmt super.

Kenyon & Eckhardt, New York—Excedrin, Excedrin PM—John Horne, senior vp, mgmt rep; James Heekin, vp, mgmt super.

Polykoff Advertising, New York—Body On Tap—Shirley Polykoff, president.

Lois, Pitts, Gershon, New York—Vitalis line—Patrick Dolan, vp, mgmt super; George Lois, chairman-creative director.

CLAIROL PRODUCTS DIVISION

MARKETING PERSONNEL

John W. Melton, president
Robert Oppenheim, president-Clairol salon div
David N. Ruckert, vp-mktg-HC&T div
Harold T. McMenamin, vp-mkt services-HC&T div
Mary Grace Hannon, director-mktg planning & rsch dept
Thomas L. Hogan, senior director-adv devel-HC&T div
William R. Jones, director-materials mgmt
Jack Shor, vp-pr
Mel Josephs, director-mktg-Salon div

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Final Net, Nice 'N Easy, Sea Breeze, Small Miracle, Happiness, Power Pal—Milt Harkrader, senior vp, mgmt super; Dean Proctor, vp, director sales merch.

Foote, Cone & Belding, New York—Born Beautiful, Frost & Tip, Herbal Essence, Loving Care, Miss Clairol, Silk & Silver, I Like My Gray—Alan Klein, senior vp, group mgmt super; Joe Froschi, vp, mgmt super; Danny Khosravani, acct super.

Kenyon & Eckhardt, New York—Condition*, Condition* shampoo, Condition* II—Jim Heekin, vp-mgmt super, Tom Lentz, acct super; Lana McCalley, acct exec.

Wyse Advertising, New York—Clairesse—Lois Wyse, president ; Gary Bower, vp, acct super; Robert Grossman, acct exec.

CLAIROL APPLIANCE DIVISION

MARKETING PERSONNEL

C. Benjamin Brooks, president
Peter J. Spengler, senior vp
Thomas C. Comella, vp-sales
Ben S. DeYoung, vp-prod mgmt
Wilford A. Smith, mktg director
John A. Piazza, mktg director
Robert W. Sigman, director-sales promo

ADVERTISING AGENCIES

Foote, Cone & Belding, New York—Foot-care, hairdryers, hairsetters, curling irons/brushes, Skinvention, div adv—Jeffrey Fine, group mgmt super; Charles Evans, mgmt super; Marilyn Fidler, acct super; Linda Lustig, acct exec.

Calet, Hirsch, Kurnit & Spector, New York—Kindness Quartz Dryer, SST Electronic Hairdryer—Colin Probert, senior vp, mgmt super; John Stranger, acct super; Jill Wasack, acct exec.

BRISTOL LABORATORIES

MARKETING PERSONNEL

Julius L. Pericola, president
Gary P. Gibson, vp-mktg
Marvin C. Lemons, vp-sales
Alan R. Fox, group director-prod mktg
James E. Rurka, group director-prod mktg
Stephan R. Brennan, director-promo group
J.J. McAuliffe, vp-vet operations

ADVERTISING AGENCY

Sieber & McIntyre, Chicago—Tegopen, Salutensin, Stadol, Prostaphlin, Blenoxane, Mexate, Mutamyein, Platinol, CPE division—Fred Fitzsimmons, Steve Freeman, mgmt supers; Mike Swidler, Terry Lee, Donna Small, acct supers; Linda Basnik, Tam Deplewski, acct coordinators.

WESTWOOD PHARMACEUTICALS

MARKETING PERSONNEL

Wilfred J. Larson, president
Jeffrey B. Marsch, vp-mktg
William K. Seiler, vp-sales
Michael N. Kohos, group prod director
Thomas L. Rigsby, group prod director
Elizabeth P. Brown, mgr-ad/promo services

ADVERTISING AGENCY

Frank J. Corbett Inc., Chicago—Alpha Keri, Desquam-X, Eurax, Fostex, Sebulex, Keri lotion, Staticin, PreSun, Westcort, pharmaceuticals to physicians—John Burns, acct super.

PELTON & CRANE

MARKETING PERSONNEL

Kenneth R. Ferguson Jr., president
James L. Smith, mgr-mktg services

ZIMMER USA

MARKETING PERSONNEL

Thomas H. Hughes, president
Phillip K. Cornett, vp-mktg
Jane Norton, director-mktg services
Steve Herndon, director-prod mgmt
Jack Hetler, director-sales

BRISTOL-MYERS CO. INTERNATIONAL DIVISION

MARKETING PERSONNEL

Flavio Tomassini, president

DRACKETT

MARKETING PERSONNEL

Nicholas M. Evans, president
J.R. Hughes, senior vp-mktg
William Flatley, vp-mktg
Peter Flatow, vp-new prod
Winston Weber, vp-sales
R. Fay Uhlmansiek, director-ad services

ADVERTISING AGENCIES

Daniel & Charles New York—Mr. Muscle, Endust, Nutrament Line, new prods—Martin Smith, Al Evans, mgmt supers.

Grey Advertising, New York—Windex, Behold, Drano—Art Rosen, mgmt super; Dave Amedure, acct exec.

Jordan, Case & McGrath, New York—Miracle White, Renuzit line, new prods—Jack Taylor, exec vp; Niel Tergesen, mgmt super.

Kenyon & Eckhardt, New York—Vanishline—Jim Heekin, mgmt super; Nina Dansky, acct super.

Wilk/Brichta, Chicago—O-Cedar line—Art Wilk, president; Richard Kaplan, acct super.

MEAD JOHNSON & CO.

MARKETING PERSONNEL

Wayne A. Davidson, president, Mead Johnson—nutritional div
W. Richard Kern, president
Winthrop W. Hamilton, vp-nutritional mktg
Donald E. Leslie, vp-mktg services
Phil Wescott, ad director, Mead Johnson pharmaceutical div
Donald G. Harris, president
Fred M. Brubaker, vp-pharmaceutical mktg
Kenneth J. Quakkelaar, vp-mktg services
James R. Garvey, ad director

ADVERTISING AGENCIES

Robert A. Becker Inc., New York—Pharmaceutical prods—Raymond Perry, acct super.

Sudler & Hennessey, Chicago—Pharmaceutical prods—James Robinson, acct super.

Sieber & McIntyre, Chicago—Nutritional prods—Steve Freeman, acct super.

Lee King & Partners, Chicago—Nutritional prods.

Brown-Forman Distillers Corp.

	1981	1980
Sales*	$860,556,000	$768,772,000
Earnings*	86,771,000	67,249,000
Advertising**	78,000,000	65,000,000

*Fiscal year ends April 30
**AA Estimate

Brown-Forman Distillers Corp., Louisville, Ky., the 70th largest national advertiser, increased its advertising to an estimated $78 million in calendar year 1981, some 20% higher than the $65 million spent in the previous year. Ad spending, furthermore, is expected to continue its climb, with the company set to invest $300 million in advertising over the next three years.

Brown-Forman's sales for the 1982 fiscal year were up 11.9% to $860.6 million, compared with fiscal 1981 sales of $768.8 million. Earnings rose 29% in fiscal 1982 to $86.8 from $67.2 a year earlier. It was the 24th consecutive year of increased sales.

Of the $78 million spent on advertising in 1981, which is charted on a calendar basis, $37.9 was for measured media, a 20.3% increase from a year earlier. There was a heavy increase in spot television, with $7.9 spent in 1981 compared with $3.6 in 1980. Spending increased for newspaper, magazine and outdoor advertising and decreased for network television. Spot radio was added to the media list in 1981 with an expenditure of $176,500.

According to Leading National Advertisers, Brown-Forman's most heavily advertised products were Canadian Mist Canadian whisky, $6.97 million, down from $7.5 million; Bolla Italian wines at $5.56 million up from $4.7 million; Cella Italian wines at $6.5 million, up from $4.4 million; Jack Daniel's Tennessee whisky, $4.49 million, up from $3.5 million, and Southern Comfort liqueur at $4.6 million.

Jack Daniel's Tennessee whisky continues to be the company's flagship brand, with Jack Daniel's Black Label worldwide depletions (sales from wholesale to retail) reaching 4 million nine-litre cases.

The Jack Daniel Distillery itself again provided the imagery and focus for advertising and promotional efforts as it has for more than a quarter of a century. Included on the National Register of Historic Places of the Department of the Interior, the distillery, located in the foothills of the Cumberland Mountains in Lynchburg, Tenn., is a top tourist attraction. Routine happenings in Lynchburg are highlighted in the brand's magazine ads which, through "candid" black-and-white photography and home-spun copy, have become a Jack Daniel's trademark and classic example of consistency in marketing communication strategy.

Impact, the wine and spirits newsletter, calls Jack Daniel's "the distilled spirits industry's most dynamic growth brand," predicting the brand will be America's No. 5 brand in sales by 1985. It was No. 31 10 years ago.

In 1970 Jack Daniel's held a 2% share of the American bourbon market. Its share in 1981 was 13%. The winner of *Impact's* 1980 Brand Performance Index for the decade was Jack Daniel's Black Label.

Advertising for Jack Daniel's shifted in the 1970s from newspapers to newsweeklies and publications like *Esquire, Harper's, Atlantic, The New Yorker* and *Sports Illustrated.* Research showed the brand was popular among college-educated 21-to-35-year-old males, a group the company believed was not reached efficiently via newspaper ads. The company advertised Jack Daniel's in 28 magazines in 1977; the list grew to 48 in 1981.

Recognizing a potential market with upscale working women, Jack Daniel's has been one of the first liquor brands to run ads in *Ms., Working Woman, Self* and *Savvy.*

Depletions of Early Times Kentucky bourbon fell 2% in fiscal 1982 to 2 million cases. However, in each of the last three quarters, depletions exceeded those of comparable quarters in the previous fiscal year. The Early Times label has been redesigned and will appear in the fall along with a new theme: "There are no better times than these."

Wholesale to retail sales of Old Forester Kentucky Bourbon, the company's original brand, were off sharply to 600,000 cases. The trend among consumers seems to be away from traditional premium-price bourbons. Old Forester unveiled its first campaign targeted exclusively to the black market during fiscal 1982 with the theme line: "Old Forester. The real taste."

Based on industry data for the top 20 spirit brands, Brown-Forman's leading imported spirit, Canadian Mist Canadian whisky, recorded the second-largest gain in domestic case depletions in calendar 1981, exceeded only by Jack Daniel's. Depletions climbed to 3.5 million cases in fiscal 1982.

According to *Impact*, Canadian Mist holds a commanding position in the bulk-Canadian market segment. In 1981, the brand held a 14% category share, up from 5% in 1970. One of Brown-Forman's most heavily advertised brands, Canadian Mist, ranks as one of the largest outdoor advertisers in the country. The brand's advertising to blacks, which urges consumers to go "Misting," has remained relatively unchanged since 1974. Recently, Canadian Mist has placed increased emphasis on mail-order programs featuring discounted brand premiums ranging from a "Misting" jumpsuit to a scale model of the deHavilland Beaver, a bush plane produced in the 1950s that still serves rugged northern areas today.

Depletions of Usher's Scotch, the company's second-largest imported spirit, fell by 4% in fiscal 1982 to 500,000 cases as the result of price increases which Brown-Forman says were necessary because of higher supplier prices. Because the value of the U.S. dollar against the British pound improved earlier this year, Brown-Forman was able to reduce prices, a move which the company hopes will considerably strengthen Usher's competitive position.

Worldwide depletions of Southern Comfort fell slightly in fiscal 1982 to 1.8 million cases, although domestic depletions picked up noticeably after the first quarter. Credited with the increase were new general and black marketing campaigns stressing mixability, occasions for usage and the position that "Everyone needs a little Comfort."

Cella Italian wines, the company's largest-selling wine brand, continued to outpace the rapidly expanding market for imported wines as depletions rose 16% to 2.9 million cases. The brand was heavily supported in fiscal 1982 with increased use of tv advertising centered primarily on its popular spokesman, Aldo Cella. A new public relations campaign included a tour of several cities by Aldo Cella highlighted by his appearance on the nationally syndicated "Mike Douglas Show" and the "Today Show."

Bolla's position as the leading premium imported wine in the U.S. was reinforced in fiscal 1982 with one of the largest advertising budgets of any wine brand.

The Bolla sales message was seen and heard on network and cable tv, national consumer magazines, and national and local press. Bolla continues to associate with the affluent life style by sponsoring events such as Louisville's Bolla Hardscuffle Steeplechase and the Bolla Young Artist Series. More recently, the brand was one of the sponsors of the prestigious Wimbledon tennis tournament.

Martell Cognacs remains one of the biggest sellers in the rapidly growing U.S. cognac market.

The brand is aggressively seeking further sales expansion with individual marketing campaigns aimed at general, black and Hispanic markets.

The Korbel line of California champagnes and brandy grew 2% in fiscal 1982 to 930,000 cases. Korbel introduced a new and already critically acclaimed Blanc de blancs champagne in October.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$2,862,800	$2,736,900
Magazines	17,065,400	14,599,700
Spot tv	7,917,700	3,550,900
Network tv	3,693,600	5,000,500
Outdoor	6,226,600	5,578,900
Total measured	37,942,400	31,466,900
Unmeasured	40,057,800	33,533,100
Estimated total	78,000,000	65,000,000

MARKETING PERSONNEL

B-F Spirits Ltd.

William M. Street, chairman
Daniel E. Schusterman, president
Kenneth W. Wright, exec vp-exec director of brand mgmt.
Charles J. (Jack) Davis, exec vp-exec sales director

Jos. Garneau Co.

William R. Carroll, board chairman
Henry J. (Hank) Wasiak, president
Ray Dryden, senior vp-director brand mgmt.
Joseph E. Herpin Jr, senior vp-exec director sales

Jack Daniel Distillery

Martin S. Brown, president and ceo
Arthur S. Hancock, exec vp-adv and finance
David J. Mahanes, exec vp-sales
Hans L. (Lefty) Stern, vp-director prod devel

Brown-Forman International Ltd.

Robert G. O'Brien, president
William A. Blue, senior vp-mktg

ADVERTISING AGENCIES

Advancers, St. Louis—Jack Daniel's and Korbel (media planning)—Don Stork.

Ted Bates Advertising, New York—Bolla wines, Old Bushmills Irish whisky—Larry Light, acct director; Mark Morris, mgmt rep, Scott Messinger, acct super.

Benton & Bowles, New York—Cella Imported Wines, Martell—Tom Carey, acct director, Peter Green, mgmt rep; Pat Porter, acct super.

BFV&L, St. Louis—Korbel/California champagnes and brandy—Mark Lashley, mgmt super.

Burrell Advertising, Chicago—Gene Morris, mgmt super, Julius Jones, acct super.

Gardner Advertising, St. Louis—Jack Daniel's (creative)—Charlie Haines, mgmt super; Pete Rozell, acct super.

McCann-Erickson, Louisville/New York—Canadian Mist, Early Times, Southern Comfort—John R. Anderson, mgmt rep (all); David K. Edwards, acct super (Canadian Mist); Janita Gaulzetti, acct exec (Canadian Mist); Dana Ferguson, senior acct exec (Early Times); Don Grignon, acct super (Southern Comfort): David Edelberg, acct exec (Southern Comfort).

Tatham-Laird & Kudner, Chicago—Korbel California champagnes and brandies, Tom McDonald, mgmt super.

CBS Inc.

	1981	1980
Sales	$4,125,954,000	$4,062,052,000
Earnings	163,811,000	189,706,000
Advertising	134,010,000	132,372,000

CBS Inc., New York, the country's 46th largest advertiser, raised its advertising expenditures 1% in 1981 to $134 million. In 1980 the company spent $132 million.

CBS measured media spending rose in only two categories: Newspaper and spot radio. All others—magazine, spot tv, network tv, network radio and outdoor—showed substantial declines.

In 1981, CBS revenues rose by 3% to $4.13 billion, but net income fell 14% to $163.8 million, a figure that reflected discontinuation of CBS' mass-market paperback operations. Income from continuing operations in 1981, however, was only slightly lower than in 1980.

Foreign revenues decreased 4% to $719.1 million. Profits on those sales rose 7% to $88.9 million. Domestic earnings decreased 11% on a revenue gain of 5%.

The company reports that the 1981 performance was shaped by three general factors: A recessionary economy, structural changes in certain aspects of CBS' business and ambitious efforts at new business development.

In the first half of 1982, CBS net income showed an 8% decline to $58.3 million from $63.6 million a year ago. Revenue increased 4% to $2.04 billion from $1.97 billion in 1981. The company said it was "satisfied" with these results, given the generally poor economic climate that prevailed.

The CBS/Broadcast Group, the largest and most profitable operation of the company, reported a rise in profits of 21% to $299.6 million. Its performance more than compensated for the difficulties faced by CBS/Records, Columbia and Publishing groups. The second-highest source of revenue was the CBS/Records Group, which contributed $48.6 million on revenues of $1.2 billion. Operating profits for the CBS/Columbia group decreased from $16.6 million to $4.5 million. Operating profits for the CBS/Publishing group decreased from $43.2 million to $41.8 million on a 5% revenue gain.

The company also made some major advances in the new communications technologies—in cable, in teletext and videotex and in home video.

CBS announced plans for a videotex trial in partnership with AT&T. It also received permission from the FCC to purchase a cable system with fewer than 90,000 subscribers to test new technology such as teletext and videotex.

Late in 1981, CBS launched CBS Cable, an arts and cultural channel, the company's first foray into cable software. Finally, CBS also entered into a joint venture with Twentieth Century-Fox for the promotion of cable programing and home video products.

Last year, the CBS/Broadcast Group had revenues of $1.9 billion, nearly 13% more than the 1980 figure of $1.7 billion. Profits rose by 21% to $299.6 million. The group's measured media spending was estimated at $23.4 million, most of which was placed in magazines.

The CBS-TV network continued to be on top of prime time ratings for the second consecutive year. For the first three months of the 1981-82 season eight of the ten most popular regularly scheduled programs on tv were those offered by CBS. These included "Dallas," "M*A*S*H," "Alice," "The Jeffersons," "One Day at a Time," "The Dukes of Hazzard," "Archie Bunker's Place" and "60

Top 25 farm publication advertisers

Rank	Advertiser	Expenditures 1981	Expenditures 1980
1	Elanco Products Co.	$6,621,400	$4,593,600
2	Monsanto Agricultural Products Co.	5,996,600	5,048,000
3	Ciba-Geigy Corp.	5,484,300	3,629,200
4	Deere & Co.	4,822,600	4,393,500
5	American Cyanamid Co.	4,282,400	4,077,900
6	International Harvester Co.	4,082,500	3,854,800
7	Stauffer Chemical Co.	3,940,100	2,862,400
8	E. I. du Pont de Nemours & Co.	3,105,000	2,352,400
9	Ford Motor Co.	2,920,700	2,579,100
10	Mobay Chemical Corp.	2,743,600	1,586,700
11	Sperry New Holland	2,371,500	2,228,800
12	U.S. Government	2,252,900	751,000
13	Pfizer Inc.	2,232,200	1,596,300
14	Dow Chemical Co.	2,105,700	2,050,500
15	Shell Chemical Co.	1,898,300	1,603,300
16	Upjohn Co.	1,759,400	1,810,800
17	Massey Ferguson Inc.	1,622,600	1,283,000
18	FMC Corp.	1,582,100	1,864,700
19	Northrup King Co.	1,483,700	1,305,000
20	Union Carbide Corp.	1,477,100	1,582,900
21	Mobil Corp.	1,454,000	1,925,500
22	Allis-Chalmers Corp.	1,442,000	1,225,400
23	Diamond Shamrock Corp.	1,435,100	1,051,800
24	DeKalb Agresearch	1,410,100	1,534,500
25	Pioneer Hi-Bred International	1,384,200	1,280,000

Source: Agricultural Marketing Information Service (AGRICOM).

Minutes." The success of the series was complemented by a number of blockbuster movies—"Gone With The Wind," "10" and "Every Which Way But Loose."

It was also a successful year for CBS Sports, which registered a 1.4% audience increase over 1980. Capping the year's sports coverage was Super Bowl XVI. The event, broadcast in January, 1982, attracted 110 million viewers, the largest Super Bowl audience ever.

Most sponsors on the Super Bowl telecast shelled out $345,000 to $350,000 per 30-second spot, but early-bird advertisers such as Ford Motor Co, Anheuser-Busch and Miller Brewing Co. were said to have paid closer to $325,000. The event was the first tv attraction to surpass the $300,000-per 30-second barrier, just as it led the way beyond $250,000.

CBS News continued to have an over-all lead in national news viewership even though on individual weeks it was topped by ABC's revamped news. CBS expanded its faltering "Morning" to 1½ hours and replaced anchor Charles Kuralt with Bill Kurtis and Diane Sawyer.

This year, CBS announced that it plans to air a news and information show for late-night viewers. The broadcast will air from 2 a.m. to 6 a.m. on weekdays. The project's editorial startup costs are estimated at $100 million.

The CBS Radio Network led the industry by broadcasting 13 of the top 20 sponsored programs on network radio. The network has secured rights to broadcast 20 NCAA basketball games in 1982 and 1983, and its contract to cover baseball's All-Star Game, league championships and the World Series was extended through 1983.

To capitalize on the growth trend in network, the division is organizing a new network, RADIORADIO, which will be programed to serve the listening interests of young adults 18 to 34 years of age.

CBS Cable launched its cable program service in October, 1981, to rave reviews but lukewarm advertiser support. The advertiser-supported service is available free on more than 350 cable systems as a basic service and reaches nearly 5 million homes.

CBS Cable has presented such programs as "Early Days," starring Sir Ralph Richardson, "Sizwe Banzi is Dead," with John Kani and Winston Ntshona from the original Broadway production, and "Macbeth" starring Ian McKellen. There has also been dance and music featured on CBS Cable. To promote CBS Cable, the company spent $189,500 in magazines.

In February, 1982, CBS announced that it had agreed to purchase an 18,000-subscriber cable television system in the Dallas-Fort Worth area from Black Hawk Cable Communications Co, a unit of American Family Corp. The price was given as $14 million. In a year of major difficulties for the record industry, CBS/Records Group followed suit. Revenues declined to $1.22 billion in 1981 from the $1.34 billion of the previous year and earnings dropped to $48.6 million from $63.7 million. The measured media spending of the group was placed at $20 million. While much of this was in magazine, extensive use was also made of newspaper supplements. Of the $16.7 million spent by the Columbia Record & Tape Club, $6.4 million was placed in magazines and $9.2 million in newspaper supplements.

In spite of the recessionary climate, a number of CBS Records artists did exceedingly well. REO Speedwagon's "Hi Infidelity" topped the album charts for months and sold nearly 6 million copies in records and tapes. Also successful were albums by Journey, Billy Joel, Pink Floyd, Willie Nelson, The Manhattans, Kenny Loggins, George Jones and Bob James and Earl Klugh.

Another way that the division tried to cope with difficult market conditions was to drop its retail list price designation for its records and tapes. The division closed its Santa Maria, Cal., record pressing plant in October, and shifted a substantial amount of recording activity to its new Carrollton, Ga., facility, which incorporates videodisc pressing and audiocassette manufacturing.

In April, 1982, CBS took an innovative record marketing step when it began releasing 45s without a flip side. The company announced that it hoped that one-sided singles will save it money by halving artist and songwriter copyright royalties and will be more attractive to consumers by costing less. The estimated retail price for the one-sided singles will be $1.

The CBS Video Enterprises division of the Records Group took some major steps in the building of new business. For the division, prerecorded videocassettes provided the bulk of sales, although videodiscs and sales of CBS-produced programs were beginning to grow in importance.

The division continued its association with MGM Films in the joint marketing of a wide range of films, musical entertainment and historical programs to home video consumers.

Early in 1982, however, MGM Films announced that it would terminate its joint venture with CBS and strike out on its own. A company spokesman said the company believed that the new entity, the MGM/UA home entertainment group, would be more successful in exploiting its vast library of movies and other entertainment material.

In 1980, the company's Columbia House division was transferred to the CBS Records Group and restructured to focus primarily upon the direct marketing of audio and video home entertainment products. The division reports that it had a major turnaround and made a profit.

All three divisions of the CBS/Columbia Group—Musical Instruments, Gabriel Industries and Specialty Stores (primarily Pacific Stereo)—experienced difficulties because of the economy. Revenues declined for a second consecutive year to $419.4 million in 1981, and operating income dropped to its lowest in five years to $4.5 million. The majority of the revenue and earnings decline came from the Musical Instruments division and this more than offset the other gains. The measured media spending for the whole group was $5.6 million.

The musical instruments division had a particularly difficult year, reports CBS, because the business is highly credit-sensitive and retailers had difficulty obtaining financing for consumers' purchases. The strength of the dollar resulted in higher prices for the division's products in export markets and increased the competitive edge of foreign competitors.

The toy division, despite similar problems, fared much better. In fact, Gabriel Industries (CBS' toy division) had its best year in history. Backed by heavy advertising and measured media spending of $4.7 million—the largest amount of spending in the CBS/Columbia Group—the toy division maintained the sales pace of earlier years. This year, it plans to expand its product line and add various new electronic items.

The CBS/Publishing Group had modest revenues growth of $23.1 million to $510.9 million. Earnings declined to $41.8 million—down $1.4 million from 1980. The profit decline was attributed to the losses incurred by Doin Editeurs, a small French publishing company, and the film portion of BFA Educational Media. Also, the Fawcett magazine subscription fulfillment operation was closed.

Most of the division's strength came from its educational and professional publishing division, especially the publication of college textbooks. However, school sales were hurt by tight funding and delayed book purchasing by many school systems.

The CBS consumer publishing division, which publishes nine major magazines, some 40 newsstand specials and a Sunday newspaper magazine, experienced increased revenues and a slight increase in profits. *Woman's Day* increased its advertising rates and cover price in 1981, but could not build on its spectacular 1980 gains. Other magazines, including *Field & Stream* and *Mechanix Illustrated*, also increased circulation and advertising revenues in 1981, as did some of the special-interest magazines, among them *American Photographer*.

The division's Sunday newspaper magazine, *Family Weekly*, achieved all-time highs in 1981 in both circulation and advertising revenues. The magazine is distributed in 356 daily newspapers and is read by more than 27 million adults.

Last year, CBS created its Theatrical films group for the production and distribution of feature films for theatrical exhibition and licensing them for use by other media such as cable and subscription tv. The division's first production, "Back Roads," was moderately successful, and its second, "The Challenge," directed by John Frankenheimer, was recently released. "Table for Five," with Jon Voight, is in production.

CBS has made a commitment to develop and introduce new technologies in the various aspects of its business. Its joint venture with AT&T for the videotex test is proof of that intent. The company has also become a strong advocate of high definition television—a technology that allows vastly improved resolution of the tv image. The CBS Technology Center is developing techniques for transmitting the associated high-information signals within minimum frequency space, the key to making high definition tv feasible for broadcast.

Early this year, CBS announced a number of acquisition and joint venture plans. It announced that it will purchase Ideal Toy Corp. for $58 million. Thomas M. Kirwan, president of CBS' Columbia Group, described the proposed acquisition as a perfect complement to existing toy lines. Ideal has a strong distribution network in France, England, West Germany, Canada, Hong Kong and Australia, and CBS expects to link up with this network for its Gabriel toy lines. In addition, Ideal has a 1 million sq. ft. manufacturing facility in New Jersey that might help alleviate some of CBS' need for additional manufacturing space.

CBS also announced plans to acquire *Cuisine*, a gourmet food monthly, from Cuisine Magazine Inc., a unit of Forum Communications, Santa Barbara, Cal.

The company also signed an exclusive four-year licensing agreement with Bally Mfg. through which CBS will manufacture and market home video cartridge versions of Bally's coin-operated arcade games. Initially, CBS plans to market cartridges that are compatible with Atari and Intellivision.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$15,822,600	$14,969,100
Magazines	29,652,000	29,833,200
Spot tv	6,039,100	8,746,800
Network tv	1,090,000	5,200,600
Spot radio	143,000	131,900
Network radio	3,260,300	3,443,100
Outdoor	990,200	1,163,800
Total measured	57,647,500	63,493,500
Unmeasured	76,362,500	68,878,500
Estimated total	134,010,000	132,372,000

ADVERTISING EXPENDITURES*

	1981	1980
Newspapers	$36,619,000	$34,167,000
Magazines	26,601,000	25,052,000
Business publications	3,437,000	2,896,000
Spot tv	7,516,000	8,810,000
Network tv	2,377,000	3,524,000
Spot radio	13,088,000	14,499,000
Network radio	2,056,000	1,742,000
Point-of-purchase	7,302,000	6,561,000
Direct mail	11,794,000	14,400,000
Outdoor/transit	2,940,000	1,704,000
Other	3,303,000	7,875,000
Broadcast & print production	17,177,000	11,143,000
Total	134,010,000	132,372,000

*Figures provided by company

CBS INC.

MARKETING PERSONNEL

Louis Dorfsman, vp-creative director, adv/design
Warren Spellman, vp-media services
James Shumaker, director-operations/admin
Maureen O'Donnell, director-media services
Naomi Andrews, copy chief
Paul Rosenthal, mgr, adv operations
Ted Andresakes, senior art director
Robert Bolton, mgr, adv operations
Ira Teichberg, director, design services

CBS/BROADCAST GROUP

MARKETING PERSONNEL

George Schweitzer, vp-communications
David Poltrack, vp-rsch
Lynne Grasz, director-communications

CBS TELEVISION NETWORK

MARKETING PERSONNEL

Paul Isaacson, vp-sales
William Cecil, vp-sales planning
John Gray, vp-nat'l sales mgr

CBS CABLE

MARKETING PERSONNEL

James Joyella, vp-sales
Charlotte Schiff Jones, vp-mktg
Jack Heimerdinger, director-adv & promo

CBS ENTERTAINMENT

MARKETING PERSONNEL

Mort Pollack, vp-adv & promo
Herman Aronson, director-operations
Bruce Weiner, director-affiliate adv & promo
David November, director-creative services
Jerry Taylor, director-admin, on-air promo (LA)

Edwin Gish, vp-on-air promo
Jacques Sammes, exec copy chief
Daniel Stern, vp-promo, East Coast

CBS SPORTS

MARKETING PERSONNEL

Neal Pilson, president
Carl Lindemann, vp-asst to president
James Harrington, vp-program planning and admin
Donn O'Brien, vp, director-programing
Kevin O'Mailey, exec producer, college sports
James McKenna, vp, director-finance and business planning
Kay Wight, vp-compliance and admin
Craig Foster, vp-business affairs & compliance
Robert Tassie, vp-communication
Keith Johnson, mgr, adv

CBS NEWS

MARKETING PERSONNEL

Ronald Beck, mgr, program services

CBS TELEVISION STATIONS

MARKETING PERSONNEL

Kenneth R. Hall, vp-sales & mktg
Ron Perth, vp-genl mgr, natl sales
Aaron Shelden, director-communications
Michael Dainard, director-mktg

CBS RADIO

MARKETING PERSONNEL

Michael Ewing, vp-genl mgr, CBS Radio Network
Judson Niver, director-natl sales, CBS Radio Network
Gail Trell Barker, vp-sales & mktg
Suzanne Sack, director-sales promo, CBS Radio Network
Gregory Lincoln, director-mktg, CBS Radio Network
Robert P. Kipperman, vp-genl mgr, RADIORADIO
Simona McGray, director-sales, RADIORADIO
Edward Kiernan, vp-CBS Radio spot sales
Judith Harper, director-promo, CBS Radio spot sales
Eli Kaufman, vp-CBS FM natl sales
Kathleen Seipp, director-mktg, CBS fm group
Susan Garone, mgr, promo, CBS fm national Sales
Thomas Dawson, vp-mktg devel, CBS Radio Networks

CBS THEATRICAL FILMS

MARKETING PERSONNEL

William Self, president
Gabe Sumner, president, distribution
Ian Jessel, vp-intl distrib
Kathryn Linclau, director-worldwide distribution
Leonard Morpurgo, director-intl adv

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—CBS Inc., CBS-TV Network, CBS-TV Stations, CBS News, CBS Radio—Lloyd Highbloom, acct super.

Oglivy & Mather, New York—RADIORADIO—Carl Lockwood, acct super.

Drossman Yustein Clowes, New York—CBS Cable.

CBS/RECORDS GROUP

MARKETING PERSONNEL

Walter Yetnikoff, president
Cornelius F. Keating, senior vp-direct mktg
Robert Altshuler, vp-press and public affairs

CBS RECORDS DIVISION

MARKETING PERSONNEL

Don Dempsey, senior vp-genl mgr, Epic, Portrait and Associated labels
John Berg, vp-packaging art & design
Bob Sherwood, vp-mktg, Columbia label
Arnold Levine, vp-adv & creative services
Albert Shulman, vp-Columbia special prods
Calvin Roberts, senior vp-operations, mktg
Paul Smith, senior vp-genl mgr, mktg
Ron McCarrell, vp-mktg, Epic, Portrait & Associated labels
Linda Barton, vp-adv planning
Michael Stewart, president, CBS Songs

CBS RECORDS INTERNATIONAL

MARKETING PERSONNEL

Allen Davis, president
Art Bruno, vp-operations
Bernice Freidus, vp-creative operations
Donald Williams, vp-intl distrib & warehousing operations

ADVERTISING AGENCY

Young & Rubicam, New York—CBS Records, tv advertising—Morris Baumstein, acct super.

COLUMBIA HOUSE

MARKETING PERSONNEL

Richard Wolter, exec vp
Leon Graham, vp-music mktg
Diane Aronow, vp-club adv & promo
Richard Archer, vp-creative services
Thomas Allen, vp-Vista Marketing

ADVERTISING AGENCY

Wunderman, Ricotta & Kline, New York—Columbia Record & Tape Club, Vista Marketing—Peter Rabae, group acct super.

CBS/COLUMBIA GROUP

MARKETING PERSONNEL

Edmund R. Auer, senior vp-finance & admin
Charles F. Wassem, vp
S. Allen Selby, vp-mktg

CBS MUSICAL INSTRUMENTS

MARKETING PERSONNEL

John McLaren, president

FENDER/ROGERS/-RHODES/SQUIER

MARKETING PERSONNEL

Bill Schultz, president
Roger Balmer, vp-mktg & sales

GEMEINHARDT

MARKETING PERSONNEL

Glenn Holtz, director-mktg

STEINWAY & SONS

MARKETING PERSONNEL

John Steinway, chairman
Lloyd Meyer, president
Robert Dove, vp-mktg

RODGERS ORGAN CO.

MARKETING PERSONNEL

Thod Madsen, director-mktg & sales

GULBRANSEN

MARKETING PERSONNEL

Thomas Zateslo, director-mktg

LYON-HEALY

MARKETING PERSONNEL

M. Ross Brown, president

ADVERTISING AGENCIES

Phelps & Associates—Fender, Rogers, Rhodes, Squier—Joe Phelps.

Bonsib Inc., Fort Wayne, Ind.—Gemeinhardt—Tom Mattern, acct super

Lord, Geller, Federico, Einstin, New York—Steinway—Victor Emmanuel, acct exec.

Denny, Walls, Ross & Wright—Rodgers Organ—Jim Walls

Freeman, Huenink & Zilbert—Gulbransen.

CBS SPECIALITY STORES

MARKETING PERSONNEL

G. Richard Sabbag, president
Armand Philiippi, senior vp-mktg
Robert Murphy, director-adv

GABRIEL INDUSTRIES

MARKETING PERSONNEL

Benjamen Ordover, president
Arthur Barnett, vp-mktg
Dan Weiss, vp-sales
Stan Clutton, director-mktg
Rob Warner, director-CBS Video Games
Judith Sussman, director-promo & pr

ADVERTISING AGENCIES

Nadler & Larimer, New York—Gabriel toys and games, Child Guidance toys, Wonder horses, Gym Dandy playground equipment—Chuck Einach, acct super; Alan Blum, Doreen Hyman, acct execs

Cunningham & Walsh, New York—CBS Video Games

CBS EDUCATIONAL & PROFESSIONAL PUBLISHING, HOLT, RINEHART & WINSTON SCHOOL PUBLISHING

MARKETING PERSONNEL

H. James Harre, vp-mktg & sales
Jan Johnson, mgr, direct mktg

Holt, Rinehart & Winston Trade Book

Steven Dorsky, vp-mktg & subsidiary rights
Karen Mender, director-adv, promo & publicity
Leslie Rowe, natl sales mgr
Sally Owen, mgr-adv

Praeger Publishing

Ernie Hursch, director—mktg
Robert Ryan, direct mail coordinator

CBS College Publishing

John Wood, vp-mktg & sales
Lisa Bayard, director-mktg
Deborah Karpak, adv and product info mgr

CBS International Publishing

Richard Pippert, vp

CBS Medical Publishing (WB Saunders)

Niels Buessem, senior vp-mktg
Susan Hunter, director-mktg
Joan Spaulder, director-adv
George Gorman, natl sales mgr, text
William Moritz, natl sales mgr, subscription

CBS CONSUMER PUBLISHING

MARKETING PERSONNEL

Marketing Services

Robert J. Krefting, president
Thomas O. Ryder, vp-genl mgr
Phyllis Crawley, director-communications

Women's Magazine Group

Peter Diamandis, vp & group publisher, and publisher, *Woman's Day*
Don Q. Davidson, vp-assoc publisher, genl mgr/circulation, *Woman's Day*
Jay Burzon, vp & asst publisher/adv, *Woman's Day*
Bonnie Geller, adv & mktg services director, *Woman's Day*
Gordon Burkhard, adv director & assoc publisher, Woman's Day Specials

Leisure Magazine Group

Michael J. O'Neil, vp & group publisher
John Condon, vp & general manager
Arnold Gluskin, adv mktg director
George Winchester, circulation mktg services director
Anne Sutherland, vp & publisher, *Cuisine*
Eugene Bay, vp & publisher, *Field & Stream*
James S. Berrien, adv director, *Field & Stream*
Joseph Kelly, adv director, *Mechanix Illustrated*
Peter Hanson, vp & publisher, *Mechanix Illustrated*

Special Interest Magazine Group

Michael Brennan, vp-genl mgr
Leon Rosenfield, circulation mktg services director
John Brown, adv promo director
Peter Veronis, director, CBS Magazine Network
Richard Bartkus, vp-publisher, *Road & Track, Cycle World*
Jay Butler, publisher, *Audio*
Gary Fisher, publisher, *American Photographer*
James Hansen, assoc publisher, adv director, *Cycle World*
Marlene Jensen, assoc publisher/marketing, *Audio*
Peter McGrath, adv director, *World Tennis*
Cliff Paris, adv director, *Road & Track*
Carol Smith, assoc publisher, adv director, *American Photographer*
Charles M. Stentiford, vp-publisher, *World Tennis*; exec publisher, *Audio*

CBS Magazine Marketing

Robert Alexander, president
Carl Kopf, vp-genl mgr
Dave Hall, mktg director
Charlene Barasch, director, operations & finance

Newspaper Magazine Group

Morton Frank, chairman emeritus
Patrick Linskey, president & group publisher
Jonathan Thompson, vp-genl mgr
Stanley Rosenfeld, vp-mktg director
Gerald S. Wroe, vp-adv director
Patricia Kyle, promo director

ADVERTISING AGENCIES

Young & Rubicam, special markets and New York—Newspaper Magazine Group/*Family Weekly*—Walter Darragh, mgmt super.

Warren/Kremer, New York—*Field & Stream*—Peter Warren, acct super.

Nadler & Larimer, New York—*Woman's Day*—Howard Berg, acct super.

AMS Advertising, New York—*Mechanix Illustrated*—Stanley Pearlman, acct super.

J.R. Navarro & Associates, Los Angeles—*Road & Track, Cycle World*—Mike Navarro, mgmt super; Charles Fox, acct super.

Evan S. Forgelman Inc., New York—*Cuisine*—Sydney Cohn, acct super.

Lois, Pitts, Gershon, New York—CBS Magazine Network.

CPC International

	1981	1980
Sales.........	$4,343,100,000	$4,120,300,000
Earnings......	218,400,000	197,400,000
Advertising**.	87,000,000	77,900,000

**AA estimate

CPC International, Englewood, N.J., the 63rd largest advertiser in the U.S., increased its advertising spending 10% in 1981 to 87 million.

The company's North American division, comprising operations in the U.S., Canada and the Caribbean, recorded sales of $1.68 billion, up more than 12% from the previous year. This total accounts for 39% of worldwide sales, 3% more than last year.

For the first six months of 1982, CPC's earnings rose 9.3%, to $98.2 million from the same period last year. First-half 1982 sales were $2.07 billion, down 6.5% from same period a year ago.

International sales rose 5.4% to $4.3 billion, with earnings reaching a new high level for the 10th consecutive year. The company also celebrated its 75th anniversary in 1981.

CPC International, one of the world's 10 largest food companies, is involved primarily in two major business segments: Branded grocery products, which account for 58% of sales, and corn wet milling. Among minor businesses, which account for less than 5% of sales, are those devoted to specialty chemicals and packaging.

CPC continues to pour money into expanding the two major business areas, investing since 1975 about $950 million in construction and upgrading manufacturing facilities in both segments and had marketing expenditures of about $1 billion, primarily in branded grocery products.

A stronger management/financial thrust is being centered in these operations, which company executives claim "have strong market positions."

Marketing costs for CPC International hit the $242 million level in 1981, up from $228 million the previous year. Worldwide advertising alone accounted for close to $178 million in 1981, an 11% hike over 1980.

CPC is the world's largest marketer to retail consumers of dehydrated soups and bouillons, most sold under the Knorr label; of mayonnaise, including Hellmann's; of corn oil, notably Mazola, and of corn starch, such as Argo's. In addition, it is the world's largest corn-wet miller, with that segment constituting 38% of CPC's sales in 1981.

The North American unit, which had almost a 13% rise in sales in 1981, receives 60% of its sales in grocery products.

This division includes Best Foods; S.B. Thomas Inc.; Corn Products and Canada Starch Co.; Peterson/Puritan, the nation's largest contract packager; Acme Resin, which produces resins and resin-coated sands, and the Penick Corp. and Amerchol Corp., both in specialty chemicals.

Early this year CPC sold the Dutch Pantry restaurant subsidiary to Harley Hotels. The sale, officials at CPC say, will have no effect on the company's earnings since Dutch Pantry had accounted for a minute part of its over-all sales.

Best Foods' mayonnaise, sold under the Hellmann's and Best labels, holds 40% of the U.S. market in that category. Measured ad spending for the mayonnaise totaled nearly $9 million, including $5.4 million spent on network tv.

Skippy peanut butter, supported by a $6.7 million ad budget, held 22% of the market. Despite a production cutback forced by a poor peanut harvest, and a resulting 52% price jump, ad schedules continued running as planned.

Toward the end of the year, Skippy sales improved after an abundant peanut harvest allowed a drop in price.

Sales dropped for Karo syrup and Golden Griddle pancake mix, and neither received a measured cent of the $21.4 million network tv advertising budget put forth by the company.

Most of the funds expended for these products were allocated to magazine ads.

A summer, 1981, promotion pushed Mazola as a light oil for dressings on fruits and vegetables. Health benefits also were emphasized and CPC even sponsored a 1,000-meter Mazola Corn Oil Run in Central Park in New York.

Mazola, which continues as the top-selling corn oil, was backed by almost $10 million in measured spending, the largest amount given to any CPC grocery product in 1981.

A years-long aggressive marketing campaign is geared to peddling English muffins produced by CPC's S.B. Thomas unit. Ads have been targeted to women in the 18-to-49 age group. After a sluggish start, sales improved in the second half of 1981 for Thomas' muffins, which reportedly now leads in market shares in most of the country, with expansion to other geographical areas underway.

Measured spending for the muffins totaled $6.7 million, almost all going to spot tv.

CPC North America also produces such items as Rit color dies, Mazola spray starch, Sahara bread, H-O instant oatmeal and Kingsford corn starch.

While 80% of measured spending for U.S. products was divided between network and spot tv, 14% went for magazine ads. Newspapers were given almost twice as much—$1.3 million—as they received in 1980.

Executives at Best Foods have indicated that with the uncertain economy in mind, the company will devote its energies to developing new ideas for its current products instead of emphasizing introduction of new products. David Newstadt was named president of Best Foods in 1981.

Best also is attempting to build up sales in the South and other "weak" spots.

Activity in the corn wet milling operations, where sales were up 16.5% in the North American division, included expansion of facilities.

Plants in Stockton, Cal., and Winston-Salem, N.C., were completed, and the Argo, Ill., plant was expanded in size.

The Pekin, Ill., plant was sold to Pekin Energy Co. for a fuel-grade ethanol project in conjunction with Texaco.

Just recently, CPC International and six other corn refiners settled a suit brought in 1980 by the U.S. government.

The settlement prohibits the defendants for 10 years from entering into pacts to fix prices, or from exchanging price information.

In the future, CPC officials expect a continuation of sales progress, and marketing expenditures are scheduled to reach $275 million in 1982.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers......	$1,317,100	$ 676,700
Magazines.......	6,633,200	5,169,100

Spot tv	13,079,500	12,102,200
Network tv	21,425,800	19,211,800
Outdoor	781,800	270,100
Total measured	42,837,400	37,429,900
Unmeasured	44,162,600	40,470,100
Estimated total	87,000,000	77,900,000

BEST FOODS

MARKETING PERSONNEL

David R. Newstadt, president
Clayton J. Rohrbach Jr, vp-mktg
Jan van Amerongen, exec asst to mktg vp
Leroy F. Reiser, vp-mkt devel
Clifford M. Jennewein, vp-sales
Jean Burtis, consumer service director
Dennis C. Beaumont, director-adv & sales promo
Aaron Strauss, director-mktg rsch
Kenneth Bistany, vp-mktg services

ADVERTISING AGENCIES

Dancer Fitzgerald Sample, New York—Hellmann's and Best Foods mayonnaise, Hellmann's and Best Foods relish sandwich spread, Hellmann's and Best Foods tartar sauce, Hellmann's Spin Blend salad dressing, Skippy and Skippy Old Fashioned peanut butter, Mrs. Fanning's Bread and Butter Pickles, Mazola margarine, Diet Mazola margarine, new prods—George Dean, mgmt director; Bob Weeks, group super; John Kaiser, Ed Padin, Bob Howsam, Richard Horowitz, acct supers: Oliver Payne, Charles Scuba, Ellen Pratt, acct execs.

D'Arcy-MacManus & Masius, New York—Mazola corn oil, Golden Griddle pancake syrup, Karo corn syrups (dark and light), Argo corn starch, new prods—Robert Berman, John Balardi, George Karelekas, mgmt reps; Richard Parillo, acct exec.

S.B. THOMAS INC.

MARKETING PERSONNEL

Michael W. Hogarty, president
Joseph R. Cross, vp-mktg
Donald A. Hermann, natl sales mgr
Dick Zuverm, senior prod director
Robert Anderson, vp-sales

ADVERTISING AGENCIES

D'Arcy-MacManus & Masius, New York—Thomas' English muffins, Toast-r-Cakes and Protein Bread—Joseph Kelley, mgmt super; Steve Voyer, acct super.

Dancer Fitzgerald Sample, New York—Sahara Bread—Dennis Keane, mgmt super.

SPECIAL PRODUCTS

MARKETING PERSONNEL

Albert A. Witz, genl mgr
J. F. Marino, director, sales
K.A. Pirnat, mgr, import dept
D. K. Hotopp, asst prod. mgr

ADVERTISING AGENCY

Warwick Advertising, New York—Rit dyes, Rit Color Remover, Rit Fabric Whitener, Rit Fast Fad, H-O Oats and Farina; Knorr Swiss sauces and gravy mixes. Knorr Swiss bouillons—Tom Fucigna, vp acct super; Ruth Abel, acct exec.

BEST FOODS CARIBBEAN

Plinio Gonzalez, president
Jaime Pericas, vp-mktg
J.F. Tonareoy, s/s mgr

ADVERTISING AGENCY

Premier Maldonado, San Juan, P.R.

CORN PRODUCTS

MARKETING PERSONNEL
(domestic only)

Robert J. Gillespie, president
R.W. Spaeth, vp-sales, mktg business mgmt

ADVERTISING AGENCY
(domestic only)

Trout & Ries, New York—Sharon Kindel, acct exec.

Campbell Soup Co.

	1981	1980
Sales	$2,950,000,000*	2,797,663,000
Earnings	148,400,000*	129,717,000
Advertising**	70,757,000	57,997,500

*AA estimate; fiscal year closes Aug. 2.
**AA estimate

Campbell Soup Co., Camden, N.J., the 74th largest national advertiser, increased its advertising spending 22% to $70.8 million.

Formerly thought of as a product-oriented company, focusing on growth through improved production, Campbell has adopted a policy of acquisition and aggressive marketing.

When R. Gordon McGovern was appointed president-chief executive officer in December, 1980, Campbell outlined an ambitious five-year plan, setting its goals at a 5% growth in unit volume and an annual sales growth of 15%, assuming 10% inflation. To achieve this, the company says it is determined to learn more about today's consumer, and either develop or acquire product lines that best serve new needs.

One real concern for Campbell is the working mother. Because she spends less time shopping and is harder to target in advertising than in the past, Campbell is adjusting its ad strategy. Consumer magazine annual expenditures decreased 40% in 1981, while yearly newspaper advertising was increased 56%, to $4.4 million, and newspaper supplement ads 175%, to $782,800 from last year's $284,500. Network and spot tv budgets have been increased 23% and 24% this year, respectively.

Campbell is hoping to find a new medium for reaching women in "WomanWatch," a weekly Campbell production that premiered on Turner Broadcasting's superstation WTBS in June. The weekly program, with a half-hour magazine format, features stories of general interest to working women. The series was cooked up at BBDO, and while it is Campbell's first venture into programing for cable tv, Campbell has long believed in associating its products with quality tv, starting in the 1950s with the sponsorship of "Lassie." Although this is Campbell's debut in cable programing, the company spent an estimated 5% of 1981's ad budget, or $3.5 million, on cable advertising.

Branching into cable as a medium is one result of Campbell's increasingly extensive market research, and what a company official called a growing desire to "acknowledge the rapid changes and tough standards of the consuming public." Accordingly, the company is paying more attention to the growing number of single consumers. Ad expenditures for Soup For One, a single-serving canned soup line, were increased 10% this year, and the company is planning to extend the line in 1982.

Additional products aimed at the same market are convenience frozen foods from the Swanson and Pepperidge Farm divisions. Pepperidge Farm's Deli's, combinations of meat, egg and cheese in pastry, are emerging as a real star among products developed for smaller, busier households. Measured media spending for Deli's was only $637,900, but that was for its very early market stages. Deli's went national in February, 1982, and a variation on the Deli theme, Vegetables in Pastry, is currently in test.

Pepperidge Farm is the second largest division of Campbell, with estimated sales of $400 million in 1981, as well as Campbell's fastest-growing segment, both geographically and in product development. Altogether the line received $4.6 million of measured media support, a 108% increase from 1980's $2.2 million. Pepperidge Farm has gone national with fruit-filled snack bars and fruit cookies, and one food industry expert estimates Pepperidge Farm's share of the premium-price baked goods market at from 10% to 20%.

An important new direction for Campbell is focusing on what Mr. McGovern calls a "consumer trend toward health food." Since more than half the adult meal planners in the U.S. are dieting, the company is emphasizing the nutritional and caloric value of its products.

For the soup division, this has meant voluntary labeling of product content and consumer testing to minimize sodium. Seven low-sodium soup varieties have been introduced.

By promoting the dietary benefits of soup, Campbell hopes to increase demand in a market typically seen as mature. The company commands a 65% share of the soup market over-all, and an 80% share of all canned and condensed. Since 40% of total company sales come from soup, one of the 10 largest grocery categories, Campbell's push for an increased market share includes an increase in promotional efforts. Measured ad spending increased 10% in 1981, to $17.6 million, and of all soup advertising, Campbell spent 70%.

Also in test at the soup division are Bisto, a gravy maker product, and a line of premium-price soups, with varieties like clear ox-tail and Serbian bean. Crispy vegetable soups, which can be served either hot or cold, are now available nationally. But despite the numerous newcomers, chicken noodle and cream of tomato are still Campbell's best sellers.

In 1981, Campbell switched the lion's share of its soup advertising account to Backer & Spielvogel, after 27 years with BBDO. The new campaign, "Soup is good food," uses various findings from the American Journal of Clinical Nutrition, documenting the healthful aspects of Campbell soups. The campaign received $16 million in measured support this year. BBDO continues to handle Chunky soups, "The soup that eats like a meal."

Another element of Campbell's bid for the healthy eater is the acquisition of Mrs. Paul's Frozen Foods Co., the largest frozen fish producer in the U.S. Terms were not disclosed, but industry experts estimated a purchase price of $70 million. Campbell is convinced the fish market will expand as consumers look for protein alternatives, and the purchase of Mrs. Paul's would guarantee the company what Mr. McGovern calls "a major entry into the growing market for lighter, lower-calorie foods." Mrs. Paul's, with total 1981 sales amounting to $124 million, has a 25% share of the deep-fried, batter fish market, according to Rick Larsen, an industry analyst with the First Manhattan Co. of New York. The acquisition does not include Mrs. Paul's Arthur Treacher's Fish & Chips Restaurants.

Also acquired was Snow King Frozen Foods, producing uncooked frozen specialty meats. Snow King, with plants located in Pottstown and Stowe, Pa., cost Campbell's $5.1 million, and had $32 million in sales in 1981. Another step in Campbell's growth—and in its growing sensitivity to consumer demands—is its involvement in the produce industry. Campbell's Farm Fresh mushrooms total sales for fiscal 1981 were an estimated $40 million, and the company is looking into acquisitions in celery and other vegetables. This year, $9 million was invested in the DNA Technology Corp., a company that is experimenting with different varieties and recombinant DNA, breeding the ideal Campbell tomato.

Campbell is hoping this investment will pay off for Prego spaghetti sauce, as well as in the soup division. Prego, in a carefully phased rollout, is now available in about 40% of the U.S. (by population) and in 60% of the spaghetti sauce-buying market, and has a 25% share of the prepared sauce category. It is promoting the sauce with the theme, "We put homemade taste in every jar," and in 1981 Prego received $12 million in ads and promotion.

Swanson's, a division that has had to undergo sizable reorganization of priorities to counter slipping sales, is working on product development that will allow it to keep its position in the frozen foods industry. The division is continuing its expansion of the frozen breakfast entree line, and spent $701,600 in measured media support. Varieties now available nationally are pancakes with sausage, scrambled eggs and sausage with hash brown potatoes, french toast with sausage, omelet with cheese sauce, spanish style omelet and pancakes and blueberries in sauce. Also new at Swanson's is Plump 'n' Juicy frozen fried chicken, now in test. Total 1981 sales for Swanson's are estimated at $340 million.

Campbell also is continuing its testing of Country Dawn beverages in the Northwest, and has added a 32-oz. glass bottle for Spicy-Hot V-8 vegetable juice cocktail and Clam V-8 to the existing V-8 on the West Coast. Campbell's beverage division, with a 50% share of the tomato/vegetable juice market, received $2.8 million of measured support in 1981. The $4.5 million account was switched from Needham Harper & Steers to Backer & Spielvogel.

To extend its juice interests, Campbell agreed in principle to purchase Juice Bowl Products, a Florida processor of more than 20 varieties of fruit juice and drinks. The acquisition will increase the company's domestic beverage concerns, which now includes only the V-8 line.

Vlasic Foods increased advertising expenditures 32% in 1981, to $3,031,000. Within this budget, spending for spot tv jumped 153%, to $914,000, while spending for network tv was maintained with a 10% increase. Vlasic is the country's largest pickle producer, with a 30% market share. The division's fiscal 1981 sales were an estimated 150 million.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$4,351,400	$2,781,300
Magazines	4,601,200	7,298,600
Spot tv	11,749,800	9,428,800
Network tv	20,207,500	16,403,000
Spot radio	2,409,300	1,139,000
Network radio	4,280,400	2,923,300
Outdoor	—	23,500
Total measured	47,599,600	39,997,500
Unmeasured	23,157,400	18,000,000
Estimated total	70,757,000	57,997,500

MARKETING PERSONNEL

H.M. Baum, vp-mktg
Z. Coulson, vp-consumer services
A.J. Adams, director-mktg rsch
P.N. Mulcahy, mgr director-CSC Advertising
D.F. Macaulay, director-design
F.A. Dudowicz, director-promos
J.A. Blood, director-mktg intl
W.C. Culp II, director-special prods

U.S. MARKETING SOUP

MARKETING PERSONNEL

H.M. Baum, genl mgr
J.W. Dodd Jr., director-mktg, condensed soups
D.E. Goerke, director-mktg, ready-to-serve soups
H.P. Pelouze III, director-mktg, special soup projects and Soup-for-One
A.C. Adams, mktg mgr
D.E. Bair, mktg mgr
P.W. Comisky, asst mktg mgr

ADVERTISING AGENCIES

Backer & Spielvogel, New York—red and white label—R. Holmen, exec vp, chief operating officer; J. Prior, senior vp, mgmt super; A. Stone, vp-acct director; C. Nemetz, acct super; J. Kennedy, acct exec.

BBDO, New York—Chunky Soup, Soup-For-One—T. Newlin, exec vp; R. Bonnette, senior vp and mgmt super; Margo Kapor, acct exec; Diane Kilzer, acct super.

MAIN MEALS

(Franco-American Pasta, Campbell's Bean Products Swanson Main Dishes)

MARKETING PERSONNEL

D.L. Santangelo, genl mgr
P.M. Masarcchio, director-mktg
T. Noto, mktg mgr, Franco-American
B.B. Elkins, mktg mgr, new prods, Swanson Canned main dishes
J.N. Haring, mktg mgr, beans

ADVERTISING AGENCY

Needham, Harper & Steers, New York—P. Wallace, senior vp-acct group director; R. Murray, senior vp-mgmt rep; P. Atkins, acct exec, beans; L. Mamorsky, acct super, Franco-American, Swanson Canned, new prods; S. McCarthy, acct exec, Swanson Canned.

GROCERY

(Prego, Swanson Canned, Franco-American Gravies)

MARKETING PERSONNEL

R. Subin, genl mgr
M.B. Buchalski, director-mktg
A.J. Wilson, mktg mgr-Prego
C.D Conrad, asst mktg mgr-grocery

ADVERTISING AGENCIES

Leber Katz Partners—Prego— Jerome Davidow, exec vp; Maureen Sage, vp—acct super.

Needham Harper & Steers—Franco-American gravies, Swanson Chunk Chicken—Phil Wallace, senior vp; Richard Murray, senior vp; Leo Mamorsky, acct super.

BEVERAGES

MARKETING PERSONNEL

J.R. Emshoff, genl mgr
G.L. Hess, mktg director
M.E. Newland, prod mktg mgr
P.F. Goodman, asst prod mktg mgr

ADVERTISING AGENCY

Backer & Spielvogel, New York—R. Holmen, exec vp, chief operating officer; T. LaMontagne, senior vp, mgmt super; M. Levine, acct super.

FROZEN FOOD

MARKETING PERSONNEL

S.A. McNeil, genl mgr
R.A. Shea, director-mktg
P.S. Levy, prod mktg mgr
A.D. Levy, asst prod mktg mgr
D.E. Lynn, prod mktg mgr
J.F. VanStone, prod mktg mgr

ADVERTISING AGENCY

Ogilvy & Mather, New York—G. Phillips, exec vp-super; J. Aymar, vp-acct super.

FRESH PRODUCE

MARKETING PERSONNEL

S. Blum, genl mgr

ADVERTISING AGENCY

Ogilvy & Mather, New York—D. Courtney, vp-acct super.

FOODSERVICE

MARKETING PERSONNEL

A. N. Calabrese, genl mgr
R.D. Berryman, director-mktg
W.C. Lehneis, mktg mgr

ADVERTISING AGENCIES

Lewis & Gilman, Philadelphia—R.G. Wilder, president, T.P. Ferguson, D.

Kohri, acct execs.

Conill Advertising Associates, New York—(Spanish-speaking market)—Rafael Conill, president, Alicia Conil, exec vp; Susan Kahn, director-mktg services.

PET FOODS

MARKETING PERSONNEL

R.W. Inpyn, genl mgr
S.M. Regan, mktg director

ADVERTISING AGENCY

Grey North Inc., Chicago—Ernie Brown, acct super.

RESTAURANT DIVISION

MARKETING PERSONNEL

R.E. Johnston, president
L.A. Pizer, director-mktg

ADVERTISING AGENCY

Reichenstein-Jonathan Grief, acct super.

PEPPERIDGE FARM

MARKETING PERSONNEL

W.A. Schmidt, president
E.W. Sweeney, vp-bakery
J.P. Horn, vp-frozen
T.H. Fey, vp-biscuit
T.H. Fey, president-genl mgr, confectionary division
R.S. Wilson, president-genl mgr, retail division
R.L. Schmalz, president-genl mgr, mail order division
E.G. Rawson, mktg director-bakery
W. Sander, mktg mgr-frozen
C.A. Platt, mktg mgr-biscuit
J.E. Tierney, vp, corporate relations

ADVERTISING AGENCY

Ogilvy & Mather, New York—Graham Phillips, exec vp-genl mgr; Charles L. Decker, senior vp-mgmt super; Mary Ellen Kiselick, acct super-frozen; Suzanne Donahue, acct exec-frozen; Mark Goldman, acct super-bakery & biscuits; Connie O'Brien, asst acct super-bakery & biscuits; Carleen Kluss, asst acct exec-bakery & biscuit.

VLASIC

MARKETING PERSONNEL

John R. Scales, president
Tom Bitterman, vp-sales
J.M. Dorsch, vp-mktg

ADVERTISING AGENCY

W.B. Doner & Co., Southfield, Mich.—William Chase, mgmt super; Rich Friday, acct super; Trish Doyle, asst acct exec.

MRS. PAUL'S KITCHENS

MARKETING PERSONNEL

R.J. Baker, genl mgr
R. Boucher, mktg mgr

ADVERTISING AGENCY

Scali, McCabe, Sloves, New York—Phil Cohen, mgmt super; Joseph Goldstein, acct super.

SNOW KING FROZEN FOODS

MARKETING PERSONNEL

H. Litvin, genl mgr
H. Miller, mktg mgr

ADVERTISING AGENCY

Adventure Communication, Great Valley, Pa.—Frank Kaplan, acct exec.

Canon U.S.A.

	1981	1980
Sales*	$705,000,000	$567,000,000
Advertising**	36,525,800	31,339,330

*In North America
**AA estimate

For the first time, Canon U.S.A.'s ad spending ranked among the nation's top 100, with 1981's total advertising expenditures at $36.5 million, an increase of 17% from 1980's $31.3 million, making Canon AA's 100th largest advertiser.

Measured media expenditures accounted for $33.2 million of the total for the company, whose domestic base is Lake Success, N.Y. U.S. sales increased 24%, from $567 million to $705 million. Canon's world headquarters is in Tokyo.

Canon, however, is poised to prime the ad dollar pump by infusing $40 million over the next four years supporting its newly introduced 10.5-oz., 35mm Snappy, the company's answer to an "idiot-proof" camera selling in the under-$100 market.

Spending during 1981 continued heavily on Canon's warhorse, the AE-1, which has attracted an entire line of "A" models since it was first introduced in 1976 via tennis star John Newcombe, as spokesman. The line shares 60% of its parts, but each is equipped with varying features. They range from the premium A-1, a highly advanced electronic camera with six exposure modes, to the economical AV-1.

A new feature added to the AE-1 during 1981 was the AE-1 program, which provides a fully automated programed shutter. The new program, positioned between the AE-1 and the A-1, is being promoted by professional athletes Tracy Austin, John Newcombe, Ben Crenshaw and Joe Theisman.

The company unveiled the AL-1, a model that promises sharply focused images. All of the "A" line camera advertising focuses on simplicity, in tv ads by Grey Advertising, N.Y., and print campaigns by Dentsu Inc., N.Y.

Canon also introduced the F-1, a professional camera with a system of interchangable parts, and the Super Sure Shot, billed as the "world's most automatic lens shutter camera." The new model, which has a built-in flash system, is even more compact than the older model Sure Shot launched in 1979 and which has since captured 25% of the compact 35mm market. In fact, Canon now is responsible for one-third of all 35mm single lens reflex sales annually in the U.S.

Canon's new Snappy entry has crowded into a highly-contested field dominated by Kodak, with an estimated 33% of market and Polaroid, 28%. Canon believes it can wrest a 20% share by 1983. The new camera is available in five colors, and features an automatic film-loading system.

Women, Snappy's target market, account for 75% of instamatic purchases in the U.S. compared with 25% of the high-tech 35mm market.

Measured media support in 1981 for Canon U.S.A. increased most substantially in one of the company's two noncamera divisions—office equipment, which accounts for 45% of domestic

Once upon a time.

Kids all over America sat spellbound watching Saturday morning cartoons. Kids everywhere, all kinds of kids, but not kids who can't hear. Why would they? It's impossible to read Scooby-Doo's lips. It's no fun to wonder why the Smurfs are so upset. Or guess what Batman wants Robin to do next.

And that's the shame. Because closed captioning can make cartoons exciting for those kids.

Several companies have already begun to fund captioning of some children's programming. But more underwriters are needed. Perhaps your company can help make Saturday morning a happy time for tens of thousands of hearing-impaired kids.

Call the National Captioning Institute at (703) 998-2486. Do it now for the child sitting alone. And do it because a few words from your company can give this story a happy ending.

sales. Copiers contributed most to division revenues, followed by calculators and printing calculators.

In the calculator segment Canon found another first with the SP1260-D, the first printer/display calculator with a voice synthesizer available in the U.S. Also introduced in January, 1981, were 13 new printer/display calculators. Six more of them came to market in December. The calculator account is valued at $3.5 million, and is handled by Dentsu Inc.

Although Canon's copiers are comparative newcomers, they already command a competitive 10% share of the U.S. market, and a commendable 20% in Japan, where the market is dominated by Fuji-Xerox.

The copiers were introduced in this country with an ad budget of $11 million for measured support in 1981, up 58% from last year's $7 million. More than 50% of this, $6.9 million, went to network tv.

One industry analyst estimates that altogether, Canon spent the equivalent of about 10% of total copier revenues on advertising and promotion.

To promote its color copiers, the company is opening a series of Color Copy Centers, featuring the Color Copier II. Branches have opened in New York, Chicago and Los Angeles. The NP-200, a typewriter-size copier, is controlled by a microprocessor and uses fiber optic technology.

In 1981, the company introduced the NP-120, the NP-400 and the NP-400F, as well as two new electronic typewriters, the AP-400 and AP-500. One area of office products rapidly expanding at Canon is the desktop computer, including a complete business software library called Canon MBA (Modular Business Accounting). The CX-1, introduced in May, 1981, is an advanced and economical model, with dual floppy disc drives and a memory of 64K.

The company's developmental innovation extends to other product areas, and Canon's research and development division is looking especially hard at the future. The company, referred to by one analyst as the "wild card in the Japanese deck," is constantly sizing up new markets in video and optical technology.

The optical products division, which began in 1938 with X-ray products, brought in 5% of Canon USA's sales revenues. The division makes machinery for imprinting silicon chips, used by computer manufacturers like IBM, RCA and Texas Instruments.

In addition to its Leading National Advertisers measured spending, the company spent an estimated $3.3 million in other advertising areas. An especially strong attempt was made to associate Canon's products with sports. The company secured exclusive supplier and marketing rights for the World Cup soccer competition, and became the official 35mm camera of the Summer 1984 Olympics. The company is the "photographic consultant" of the National Basketball Assn., the National Football League, the National Hockey League, and the official camera of, among others, the U.S. Auto Club, the New York Yankees and the Chicago Cubs. It also sponsored the Oshkosh Air Show in Wisconsin, the Montreal Grand Prix, the Indianapolis 500, the NFL Pro Bowl in Honolulu, Super Bowl XV, the World Figure Skating Championships, the Lexington Broadcast Service 36-hour World Championship Tennis tv package and the Grand Prix in Long Beach, Cal. The company also sponsored the U.S. Open Tennis Tournament where Canon-endorser Tracy Austin won the women's championship.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$998,300	$1,042,100
Magazines	9,226,600	9,948,400
Spot tv	4,809,900	4,153,600
Network tv	16,585,800	12,294,900
Spot radio	—	31,500
Network radio	1,389,500	840,500
Outdoor	195,200	179,300
Total measured	33,205,300	28,490,300
Unmeasured	3,320,500	2,849,030
Estimated total	36,525,800	31,339,330

MARKETING PERSONNEL

Cameras

E. Yoshinari, adv and sales promo mgr
T. Hirasawa, mkt planning & admin mgr

Copiers

H. Hirai, adv and sales promo mgr
T. Kikuchi, adv and sales promo mgr

Calculators

H. Iwanami, adv and sales promo mgr
J. Sharp, mkt planning & admin mgr

Micrographics

M. Iwasaki, director & genl mgr

Optical Products

T. Sakurai, prod mgr

ADVERTISING AGENCIES

Dentsu Inc., New York—N. Yamamoto, senior vp; H. Kohkiyama, senior vp-creative; Frank Savarese, vp; R. Pressman, acct super; Bill Barrett, media director.

Grey Advertising, New York—William Overend, exec vp, mgmt rep, Harold Greer, vp-senior mgmt super; Laurence Levy, vp-mgmt super.

Chesebrough-Pond's

	1981	1980
Sales	$1,529,674,000	$1,377,484,000
Earnings	114,822,000	100,203,000
Advertising*	136,241,000	128,316,000

*AA estimate

Chesebrough-Pond's, the nation's 45th largest national advertiser, increased its domestic advertising spending nearly 6.2% to $136.2 million in 1981.

Despite an adverse economic climate, Chesebrough-Pond's marked its 26th consecutive year of increased sales and earnings. Sales advanced 10.8% to $1.53 billion, and net income climbed 14.6% to $114.8 million. All seven operating divisions contributed to the sales gain. Moreover, the company was able to take important steps, in terms of expanded manufacturing capacity, to meet the needs of new marketing programs for new products.

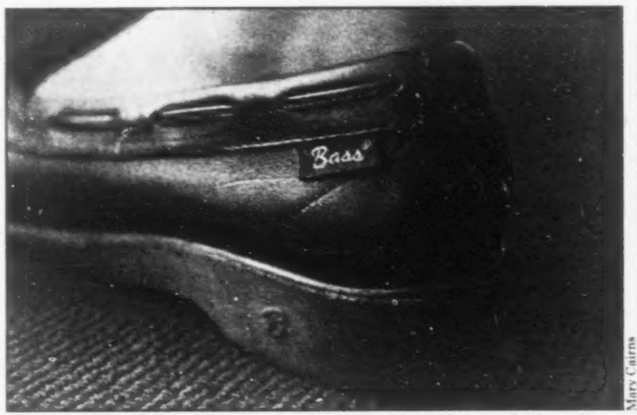
U.S. contribution to sales included: Packaged foods, $265.9 million or 17% of all corporate sales; health & beauty products, $269.5 million, or 18%; Health-tex, $251.4 million, or 16%; Prince Matchabelli, $129.9 million, or 9%; Bass, $123.2 million, or 8%, and hospital products, $45.2 million or 3%. International accounts for the rest, about 29%.

For the first six months of 1982, net income rose 6.5% to $57.2 million, compared with $53.7 million for the corresponding period last year. Sales for the first half of 1982 rose to $782.8 million, up 9.2% from $723.6 million for the same period last year.

Chesebrough-Pond's, always known for its aggressive product campaigns, an intensive focus on marketing and a stress on diversification, along with the care and feeding of newly acquired divisions, continued to follow the time-proven path in 1981.

Heavy competition and lean retail inventory policies, especially in the health & beauty products area, forced Chesebrough-Pond's to step up its advertising spending.

Advertising expenditures for health & beauty care reached $36.7 million, up substantially from 1980. A large chunk of advertising, about $15 million, went to the entire Vaseline product line, including Vaseline Intensive Care lotion and the newly launched Vaseline Dermatology Formula cream and lotion line. Vaseline Intensive Care lotion remains the division's largest-selling product.



Mary Cairns

Bass: A familiar trademark from Chesebrough-Pond's

Vaseline petroleum jelly holds the No. 1 spot with a 90% market share. Vaseline Intensive Care and Pond's Cream & Cocoa Butter lotions also are ranked No. 1, holding a 28% share over the nearest competitor, Jergens.

The Vaseline Intensive Care line was broadened with Vaseline Dermatology Formula, an ultra-therapeutic skincare line backed with a $2.8 million introductory ad budget for print and tv. Because of its therapeutic hand and bodycare positioning, the new line is in direct competition with Westwood Pharmaceutical's Keri lotion.

Pond's Cream & Cocoa Butter lotion was backed with $5 million in network and spot tv and remained strong throughout the year.

In the home permanent product category, Chesebrough-Pond's Rave ranks No. 1, holding a 26% market share. Among hairsprays, Rave currently holds third place, with an estimated 9% market share. The Rave line was expanded last year with the introduction of Rave Body Only, a soft body wave product. Rave, over-all, was supported with an ad budget of about $9.5 million last year, up 12%, according to LNA estimates. Much of that sum was put into network tv, magazines and newspaper supplements.

In early 1982, the company pushed to get the newer Cutex products into the drugstore chains where most of the nailcare business is done. This all-print endeavor was modeled after the early Revlon strategy that pushed that name into national prominence. The campaign consists of several new nail polish shade promotions each year.

Chesebrough-Pond's package foods division launched a major new product carrying the popular Ragu brand name in 1981. Ragu Homestyle spaghetti sauces, designed to appeal to consumers who still make their own spaghetti sauce, provided the division with an important new resource in meeting heavy competition and in increasing its position in the growing spaghetti sauce category.

Part of the Ragu Homestyle strategy is not only to sell the product directly, but to promote growth within the category. The company's share is estimated at 58% over-all, with advertising expenditures for the entire line at $21.9 million. Of that amount, Homestyle spaghetti sauces received $2.9 million for network and spot tv.

Ragu Pizza Quick sauces, launched in 1980, also registered strong sales in 1981, with ad backing of $5.4 million for network and spot tv. Two new Pizza Quick sauces and a pizza crust mix under the Pizza Quick name were launched in 1982 through tv spots as, "homemade pizza, simple as pie."

Chesebrough-Pond's is currently testing Montera Mexican sauces in California. The sauces are promoted for their 100% natural ingredients in print ads, with the theme, "Give your nacho the mark of Montera." Ad spending was $11,400 for magazines.

Future progress for the division involves continued growth of Ragu and Adolph's brand names, as well as new opportunities to expand into ethnic and other specialty foods categories.

The Prince Matchabelli division had strong sales gains in cosmetics, while performance of its fragrances reflected the depressed fragrance industry. Divisional sales were up 4.7% from 1980 to $130 million while operating profit rose 2%.

The Aziza business benefited from increased advertising support of $4.22 million, up 5% from 1981, for magazine and network tv. Aziza shine-on lip gloss was launched in June, 1981, with support of $339,400 in magazines.

Although the division's fragrance business felt the effects of inventory reductions by retailers, four Prince Matchabelli women's fragrances—Chimere, Cachet, Aviance and Wind Song—remain best-sellers. LNA estimates a total $7.3 million spread among network and spot tv and magazines. The Matchabelli men's fragrance introduced in 1980 established a strong position in the men's fragrance category in 1981 with ad support of $2.9 million for network tv and magazines.

Division executives say more Aziza products are expected in 1982, to broaden its base in the fragrance and shaded cosmetics markets. New marketing initiatives for the exclusive Erno Laszlo line of skincare preparations are also planned for 1982.

Sales in the Bass division, which have more than doubled since acquired by Chesebrough-Pond's in 1978, increased 9% to $123.2 million.

Strong consumer demand for Bass footwear resulted in the addition of major new manufacturing facilities in Bangor, Me. and Berlin, N.H. Start-up expenses and delivery delays associated with the assimilation of these new plants reduced the division's operating profit by 16% from record high 1980 levels. However, by year's end, a revamped organizational structure was in place and company officials expect Bass to resume a normal level of growth in 1982.

The Bass product line now includes a wide range of spring and summer footwear, more men's styles and for the first time in 1981, a line for pre-teen girls which proved highly popular. Plans for expansion of the line are currently under way.

The division spent just over $1 million in measured advertising, mostly on magazines and newspaper supplements.

At Health-tex, sales increased 23.5% to $251.4 million and operating profit grew 30.2%. The percentage increase in operating profit was the greatest for Health-tex since it was acquired in 1973.

Health-tex expanded the distribution in 1981 of the new Our Gang line of boys' apparel in sizes 8-14. More new styles were added to the infants' line, which accounts for about 25% of the division's sales. The move into new categories of children's clothing continues in 1982 with the introduction of Beach Babies swimwear for infants and toddlers.

Manufacturing facilities for children's apparel went on line in 1981 in Warrenton, Ga., and Cowpens, S.C. Chesebrough-Pond's, the No. 1 children's apparel manufacturer in a competitive industry, increased advertising to $1.4 million for magazines, newspaper supplements, network and spot tv.

In the hospital products division, sales climbed 13.8% to $45.2 million and operating profit rose 5% despite unusually high expenses for three new products; the Voldyne volumetric exerciser, the Kangaroo feeding pump and Actin-N medicated dressings.

All the major product lines contributed to the division's increased sales, and business was especially healthy for urological devices, respiratory therapy aids and burn care products.

Sales of Chesebrough-Pond's international division rose 7% to $444.6 million. Growth was particularly strong in Australia, Canada, South Africa and many countries in Latin America. Major product introductions in 1981 included Aziza cosmetics in Mexico and France, Matchabelli men's fragrance in Canada and Rave haircare products in Ireland and Canada.

In August, 1981, Chesebrough-Pond's asked for $23 million plus treble damages in a trademark infringement and unfair competition suit against S.C. Johnson & Son. Although the company did not successfully market a shampoo under its Vaseline Intensive Care brand, it is still unhappy about Johnson's new Agree Intensive hair treatment product.

The suit, ultimately decided in Johnson's favor, asked that Johnson be stopped from using the name Agree Intensive. Chesebrough-Pond's currently uses the Intensive Care name on a baby shampoo and also tested an Intensive Care hair shampoo in 1976 and 1977, although the product is no longer sold.

In July, Chesebrough-Pond's agreed in principle to acquire Princeton, N.J.-based Prince Manufacturing, marketer of high-quality tennis racquets. Prince's sales have increased over the last several years—from $9.4 million in in 1979, to $34.9 million in 1981.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$2,505,500	$1,897,500
Magazines	13,332,500	11,378,100
Spot tv	8,176,100	6,024,100
Network tv	49,348,000	49,038,300
Spot radio	199,500	90,200
Outdoor	—	500
Total measured	73,561,600	68,428,700
Unmeasured	62,679,400	59,887,300
Estimated total	136,241,000	128,316,000

CHESEBROUGH-POND'S
MARKETING PERSONNEL

Charles J. Chapman, group vp
Donald B. Wiesen, group vp
K.R. Lightcap, vp-investor relations & public affairs
J.A. Russo, creative services director
Carl Ward, specialty mkts director
J.E. Campion, media director

HEALTH & BEAUTY PRODUCTS DIVISION
MARKETING PERSONNEL

Lawrence K. Hathaway, president
Joseph Campinell, vp mktg

ADVERTISING AGENCIES

William Esty Co., New York—C-P acct—Dean Van Nest, senior mgmt super, Vaseline Intensive Care lotion—Tom Mayes, senior acct super; Peyton Sise, acct super; Sharon Spielman, acct exec Pond's Creams—Liz Kimball, senior acct exec.

Ogilvy & Mather, New York—Health & beauty aids—Sharon McGavin, vp-mgmt super, all h&ba; Mark Goldman, acct super, Rave Soft Perm, Body Only, Q-tips, new prods; Ann Faison, acct super, Rave hairsprey, new prods.

Waring & LaRosa, New York—Cutex—Larry Weisberg, vp-acct super, Gloria Appel, acct exec.

PRINCE MATCHABELLI DIVISION
MARKETING PERSONNEL

Edward Rabin, president
Charles Kiernan, vp-mktg

ADVERTISING AGENCIES

William Esty Co., New York—Aviance—Pat Vanderkamp, acct exec.

Scali, McCabe, Sloves, New York—Wind Song, Cachet, Chimere, Matchabelli—Richard Roth, exec vp-acct services; Mark Edelman, mgmt super; Vicki Amon, acct super; John Hayes, acct exec; R. Foreman, acct exec; Ken Feinberg, asst acct exec.

Waring & LaRosa, New York—Aziza—Louise Erdman, acct super; M. McCabe, asst acct exec; Susan Quinn, acct exec.

HOSPITAL PRODUCTS DIVISION
MARKETING PERSONNEL

John White, president
R. Rosenthal, vp-mktg

ADVERTISING AGENCY

Klemtner Advertising, New York—Lee Rosenberg, acct super.

ERNO LAZLO INSTITUTE
MARKETING PERSONNEL

C. Crawford Mills Jr, vp-genl mgr

ADVERTISING AGENCY

Murray Salit & Associates, New York—Murray Salit, acct super.

PACKAGE FOODS DIVISION
MARKETING PERSONNEL

Charles Perrin, president
Michael Jeans, vp-mktg

ADVERTISING AGENCY

Waring & LaRosa, New York—Ragu, Adolph's—John McCroskey, senior vp-mgmt super; Irwin Levy, senior vp-acct super; Gen Shoe, acct super; Clark Olver, Don Amira, acct execs; Joyann Gramolini, new prod mgr.

HEALTH-TEX DIVISION
MARKETING PERSONNEL

R.A. Breakstone, president & genl mgr
H.S. Miller, vp-mktg

ADVERTISING AGENCY

AC&R, New York—Alvin Chereskin, president-mgmt super; Joyce Kayhart, vp-acct super; Helen Hedges, acct exec.

G.H. BASS DIVISION
MARKETING PERSONNEL

Richard Bourret, president
Fowler Low, vp-mktg

ADVERTISING AGENCY

Lord, Geller, Federico, Einstein, New York—Bob Henklein, senior vp-mktg director, Marsha Simpson, mgmt super.

PRINCE DIVISION
MARKETING PERSONNEL

Howard Head, chairman
John P. Murray, president

Chrysler Corp.

	1981	1980
Sales	10,821,600,000	9,225,300,000
Earnings	(475,600,000)*	(1709,700,000)*
Advertising*	193,000,000	174,700,000

*Loss
**AA estimate

Chrysler Corp., Highland Park, Mich., the 24th largest national advertiser, increased its ad expenditures some 10% in 1981 to an estimated $193 million over 1980's estimated ad expenditures of $174.7 million.

Chairman Lee Iacocca ticked off these accomplishments to the annual shareholders meeting: Fixed costs reduced by $2 billion; a record $900 million in cash and securities (from the sale of Chrysler Defense); the breakeven point cut to 1.2 million units from 2.4 million units;

THERE'S ROOM FOR MORE BIG WHEELS IN THE ARMY.

The active U.S. military market doesn't sit on its duff. There are more than five million men, women and children out there who love to ride. And they have more discretionary dollars to spend on cars, motorcycles, recreational vehicles, bicycles, and just about anything on wheels you can name, than any other market you can name.

And there's just one big medium that penetrates them all. Army Times, Navy Times, Air Force Times. At every military installation in the world, these are the papers that are read front to back by service people and their families.

If you want to move vehicles in today's economy, grab a market that drives home a lot of sales.

ARMY TIMES, NAVY TIMES, AIR FORCE TIMES.
A MARKET, NOT JUST A MEDIUM.

Army Times Publishing Co. has sales offices in NYC at
One Citicorp Center, 153 E. 53rd St., 10022, (212) 753-1040;
in Chicago at 20 N. Wacker Dr., 60606, (312) 828-9446;
in L.A. at 2049 Century Park East, Suite 430. 90067, (213) 203-8185;
and in Washington D.C. at 475 School St., S.W., 20024, (202) 554-7239.

Air Force Times
NAVY TIMES
Army Times
600,000 to Get VHA This Month
Reforger Troops Fight in Crusader 80 Exercise

a net profit in the first quarter of 1982; sales up 50,000 over 1980 and a five-year, 50,000 mile warranty.

Sales increased to $10.8 billion from $9.2 billion and unit sales dropped 1% to 1.03 million from 1.04 million. The gain was in car sales, to 840,813 from 789,367. Truck sales dipped to 186,621 from 249,766. Chrysler's share of the car and truck market was 9.5% in 1981, up from 9.1%. Its car market share was up to 9.9%. Its truck market share was down to 8.2% from 9.9%.

The much heralded K car was the only Chrysler entry to hit six figures—196,997 for the Plymouth Reliant and 149,653 for the Dodge Aries. The Omni-Horizon twins and their coupes held about even with 1980 while the only other gains were in the imported Sapporo, to 13,326 from 10,263 and the luxury Imperial, which went to 4,649 from 2,497.

Mr. Iacocca forecast the launch of the 1981 K cars in the fall of 1980 would be "the best marketing job in history." Themes were "The American way to beat the [gas] pump" and "America's not going to be pushed around any more"—a sweeping reference to the Iranian hostage situation and its incumbent feeling of malaise and front-wheel drive vs. rear-wheel drive.

By November, Chrysler had shifted into price ads in the face of a new round of higher interest rates. The K cars also initially came loaded with expensive options and a mid-course correction was made to more Spartan models. By December Chrysler was talking about a 15% slash in ad spending but market pressures negated that. Chrysler introduced an "interest allowance plan" pegged to the prime rate. In effect, it rebated the difference between a 12% rate and the prime and the auto incentive wars began.

Chrysler seemingly counted those periods without a rebate or similar inducement as 10 days down the drain. The interest rate allowance became a 7% rebate and Chrysler sales responded with K cars setting records.

The $50 test drive, revived from "Chrysler's whole new way of doing business," was allowed to languish. When General Motors' J cars debuted in the spring they were greeted with the ad line, "Chrysler bets $50 you won't buy a GM J car after one test drive . . ." Chrysler ad executives started to hope that model 1982 would bring a return to product instead of rebate advertising. Meanwhile it joined in a "Special K sweepstakes" with K cars as prizes in a Kellogg cereal and Keyko margarine promotion.

By August the rebates were back in a form that was to endure—$300 to $1,000. But first another stab was made at marketing as usual. Chrysler bet some $45 million that advertising just the cars would work. It didn't, even with Ricardo Montalban moving over to new LeBarons and voicing "Lee Iacocca's dream to combine high mileage and luxury." Model Kelly Harmon drove Dodge 400s through beach spray, actor John Houseman touted Horizons and Walt Garrison switched to Dodge pickups from Ford pickups.

Prices were held on some popular models even as Mr. Iacocca said that would erase profits on them. What Chrysler did get was cash flow and a hoped for, and achieved, market share increase.

By October, the $300 to $1,000 rebate was back—this time for cars whose prices weren't frozen. It was called a "Chrysler savings certificate." In November, Chrysler was already looking to spring when it sent out direct mail pieces on the LeBaron convertible. The direct marketing program solicited "advance order reservations," which also stimulated cash flow.

Dodge's Rampage pickup truck was introduced in December as half car, half truck. It was built on the Omni-Horizon two-door chassis.

Cars that Chrysler barely noticed in its advertising started to become stars. The rear-wheel drive New Yorkers benefited from a "payback" of the splurge in small car sales. Factories went into second shifts for the low-volume cars while the high volume plants for front-wheel drive vehicles shut down.

Chrysler extended rebates for the new year with the old theme of "Get a car, get a check." In 1982, the rebates were joined by the extended Chrysler warranty with Chrysler saying it believed the public was tired of rebates. By June, Chrysler was back in the rebate business with the familiar $300 to $1,000 plan.

Chrysler tripled its 1982 truck budget to $20 million as light trucks showed signs of a comeback. Chrysler truck penetration started to rise again and the company split off trucks as a separate operation. Some of those trucks were made by Mitsubishi, which a year before had gained its independence from Chrysler. Hard-pressed Chrysler agreed to allow the Japanese automaker to market its product under its own name in addition to supplying Chrysler. In return Mitsubishi agreed to bankroll the cars it sends to Chrysler until they are in dealer hands and give Chrysler more cars in the future. The possibility of a Mitsubishi investment in Chrysler was also held out.

Chrysler also established in mid-1981 an import operations group, but executive shakeups reduced its initial effect. Chrysler's captive imports will be positioned as imports to attract that segment of buyers.

Kenyon & Eckhardt, Chrysler's agency, was eliminated as the middle man in media billings. Chrysler is being billed directly for the media buys.

In 1981, the billings amounted to a sizeable amount. The $174.5 million in total expenditures, despite efforts to hold the line, was up nearly $25 million above 1980. Rebates helped fuel advances in newspaper and spot tv spending.

The rebate influence was seen more strongly in the amount of Chrysler corporate advertising, which rose to $57.9 million from $39.8 million.

Dodge spending was up 12% in 1981 as increases in spot tv, magazine and newspaper offset a decrease in network tv. Chrysler-Plymouth ad spending was off 1%. C-P's biggest decrease was in network tv, to $23.5 million from $30 millon.

Marketing personnel changes included Jack Givens to vp marketing from director of sales operations; Darrell Davis to general manager of import operations; C. J. Stickford to manager import advertising; John Damoose to director of U.S. auto merchandising and A. C. "Bud" Liebler to director communications programs office.

Chrysler fared less well in Canada. Car sales slid to 116,089 from 125,835 and truck sales dipped to 30,218 units from 36,390. Market share for cars fell to 12.9% from 13.4% and for trucks dropped to 10.7% from 11.1%. Chrysler de Mexico S.A. is the remnant of a once global auto empire which was sold during Chrysler's dark days. Chrysler de Mexico S.A. had sales of 114,833 vehicles up from 106,380 in 1980 and earned $22.3 million on dollar sales of $1.3 billion.

Chrysler Defense, a producer of military tanks, components and other vehicles for the U.S. government, was sold early in 1982 for $335 million to General Dynamics Corp.

ADVERTISING EXPENDITURES*

	1981	1980
Newspapers	$30,955,700	$21,320,600
Magazines	25,197,200	16,387,300
Farm publications	864,000	1,014,200
Spot tv	17,430,600	11,750,700
Network tv	54,874,400	65,289,900
Spot radio	50,760,500	49,366,600
Network radio	2,084,800	261,400
Outdoor	152,800	60,700
Total measured	182,320,000	165,451,400
Unmeasured	10,680,000	9,248,600*
Estimated total	193,000,000	174,700,000*

*Restated

ADVERTISING EXPENDITURES†

	1981	1980
Newspapers	$14,900,000	$6,990,000
Magazines	27,600,000	23,930,000
Spot tv	26,500,000	9,700,000
Network tv	69,600,000	79,700,000
Spot radio	21,500,000	19,100,000
Network radio	1,200,000	1,058,000
Outdoor	800,000	92,000
Direct mail	2,330,000	—
Retail misc	12,400,000	7,400,000
Total	174,500,000	150,200,000

†Provided by other sources

U.S. AUTOMOTIVE SALES GROUP

MARKETING PERSONNEL

John B. Naughton Sr., exec vp-sales & mktg
E. Tom Pappert, vp-U.S. auto sales
Jack Givens, vp-mktg
Ted Cunningham, field sales mgr
Gino J. Giocondi, genl mgr, sales & parts operations
Darrell Davis, genl mgr, import operations
Joe Campana, genl mgr, truck operations
Doyle W. Lott, director adv
John Damoose, director-U.S. auto merch
J.J. Cronin, adv mgr, Dodge car & truck
M.V. Howe, adv mgr, Chrysler-Plymouth
J.L. Hickey, corp adv mgr
C.J. Stickford, mgr, import adv
R.R. Schneider, mgr, media & budget analysis
A.C. "Bud" Liebler, director communications programs office
F.G. Hazelroth, director-fleet programs
Tom Andre, mgr, dealer merch
Richard C. Hotchkiss, mgr, product merch
William R. Coley, mgr, consumer merch
B.F. (Moon) Mullins, director-sales & mktg pr

ADVERTISING AGENCIES

Kenyon & Eckhardt Advertising, Detroit, New York, Los Angeles—John Morrissey, chairman; Leo-Arthur Kelmenson, president, ceo; Ron DeLuca, exec vp; Vic Olesen, exec vp; Bruce Andrews, senior vp-senior mgmt super, car & truck line national and dealer advertising; David Kerr, senior vp-senior mgmt super, Chrysler corporate, import car, intl, fleet & lease, service & parts, marine, Interparts & performance parts, finance & admin, print production, control, pr and prod info; Dwight Davis, vp, Detroit creative director; Phillip Matz, senior vp-media director; Bill Winn, president, Bill Win Group; Brian Palmer, vp-rsch (Detroit); Lynn Vernon, vp-mgmt super, Chrysler-Plymouth-Imperial; Bill Oswald, senior vp-mgmt super, Dodge car; Jack Hickey, senior vp-mgmt super, Dodge & Chrysler-Plymouth dealer adv assns; John Miley, senior vp—mgmt super, Dodge truck; Walter Dunne, vp-mgmt super, Chrysler corporate, intl, fleet & lease, service & parts, marine, performance parts & Interparts; Ned Brown, vp-acct super, Chrysler-Imperial; Robert MacGregor, vp-acct super, fleet & lease, service & parts, marine, performance parts & Interparts; J. Russell Hamilton, vp—acct super, Chrysler-Plymouth dealer; Bob Williams, vp-acct super, Dodge car; Roy McKechnie, senior vp-creative director, Dodge truck, intl; Dave Hubbard, vp-acct super, Dodge truck; Bruce Montgomery, vp-assoc creative director, Dodge truck, intl; Elton Kruger, vp, media group head, Dodge car & truck; Larry Schneider, vp-production; Paul Stevens, vp creative, Chrysler-Plymouth dealer assn; Richard Ferguson, vp-finance & admin, imports; Glenn Campbell, director pr; Robert Wolf, senior vp-genl mgr, LA; Eric Davison, vp-mgmt super, imports (LA); Mark Curran, vp-acct super, import cars (LA); Bill Donaldson, vp-acct super, dealer assn (LA); John LaPick, senior vp-creative director (LA); Arnold Kusnetz, senior vp-group rsch director (NY); Robert Minicus, senior vp-creative director, Dodge (NY); Ken Duskin, senior vp-creative director, Chrysler-Plymouth (NY); Don Grant, vp-pr (NY); Calvin Mew, vp-director mktg plans (NY).

Ross Roy Inc., Detroit—Ross Roy, chairman; Glen W. Fortinberry, president, ceo; Richard C. Ward, exec vp; Tony Hernandez, senior vp-group acct super; Robert F. Steiger, senior vp-creative director; Jack Hendrie, senior vp-group acct super; Donald F. Baldwin, vp-group acct super; R. John Oliver, vp-group acct super; Francis M. Dattilo, vp-assoc creative director; Donald E. Delozier, vp-admin services; Richard J. Kociela, vp-acct super; Michael L. Labiak, vp-assoc creative director; J.D. Owens, vp-pr; Robert J. Solano, vp-assoc creative director; William I. Taylor, vp-director prod info; James V. Vehko, vp-programs, computer services; Corbin P. Elliot, acct super, truck-TDM; Richard F. Gargano, acct super, intl & special programs; Joseph L. Mason, acct super, catalogs, data books, color & trim, books; T. Mullahy, acct super, service & parts; T. Szczotka, acct super, fleet & lease.

Clorox Co.

	1981	1980
Sales	$714,023,000	$637,433,000
Earnings	38,083,000	33,209,000
Advertising*	80,761,000	74,554,000

*AA estimate

Clorox Co., Oakland, Cal., the 68th largest advertiser, increased ad spending in 1981 to $80.8 million, from $74.6 million in 1980.

The company's earnings for the fiscal year ending June 30, 1981 rose 14.7% to $38.1 million from 1980 level of $33.2 million. Corporate sales totaled $714 million, up 12% from 1980 level of $637.4 million.

During 1981 Clorox continued on the course it has been following since 1969, when it became independent from its short-term parent company, Procter & Gamble.

Since that time it has been attempting to transform itself from a company dependent upon a single product into a broad-based consumer products marketer via a diversification strategy, including acquisitions and in-house research and development of new products.

Clorox took a major step in this direction in October, 1981, by acquiring Comerco Inc., Tacoma, Wash., marketer of Olympic and Carver Tripp paints and stains. The Olympic brand, a leader in the category, is estimated to have a 40% share of the $200 million to $250 million exterior paints and stains business. While at present the housing industry is experiencing a rather deep slump, analysts in general are high on the acquisition, expecting Clorox's Olympic Stain division to eventually contribute substantially to company profits.

Another benefit of the acquisition is that it opens the possibility of a new avenue for distribution for Clorox's household products in paint and hardware stores. To date, Clorox has not taken steps to use Olympic's distribution system in this way.

It was six months before the Comerco deal was made final that Clorox's president-chief executive officer Edwin H. Shutt Jr. abruptly left the company after a mere eight months on the job. Reportedly, Mr. Shutt left Clorox because of a power struggle between himself and Clorox chairman R.B. Shetterly, over the terms of the Comerco deal and Clorox's growing ties to its West German partner, Henkel. In order to finance the Comerco deal, Henkel in 1981 took steps to increase its stake in Clorox to 25%.

On July 1, 1981, Mr. Shutt became president-chief operating officer of Tampax Inc. Calvin Hatch, a Clorox executive vp and a member of the board since 1976, succeeded Mr. Shutt as president and chief executive officer. Mr. Shetterly continued as chairman. In July, 1982, Mr. Hatch was named chairman to succeed 67-year-old Mr. Shetterly, who is retiring. Mr. Hatch continues as ceo. At the same time, C.R. Weaver, 53, was named president-chief operating officer.

Clorox has been riding high on the successes of new products like Tilex instant mildew stain remover and Clorox Pre-Wash, a laundry soil and stain remover, and early acquisitions like Hidden Valley Ranch salad dressing mixes, but the company is still dominated by sales of liquid and dry bleach. However, company execs like to point out that liquid and dry bleach sales account for less than 50% of Clorox's total earnings from established brands. Clorox is estimated to have a slightly less than 60% share of the U.S. bleach business.

While Clorox is at work building its nonbleach business, it is, ironically, facing a challenge from its former parent company, P&G, in its core business. P&G has since fall, 1981, been testing a new dry bleach called Vibrant, that some say represents a technological challenge with the potential to obsolete Clorox liquid.

Clorox executives, at least in public, play down the significance of the Vibrant introduction, claiming it is not the technological breakthrough that P&G claims. Clorox in May, 1982, started testing a new, all-fabric dry bleach called Wave in Bakersfield, Cal., Oklahoma City, Nashville and Louisville, with ad support via FCB/Honig, San Francisco. Wave, like Vibrant, is positioned as a heavy-duty bleach able to provide the whitening powers of chlorine liquid and the safety of dry bleach.

During 1981 Clorox continued on a new products push. Clorox started testing AirO's solid air freshener in Peoria and other markets, backed by tv spots that describe the product as "able to fight odors longer than any other concentrated air freshener."

The test was suspended in April, apparently after the product failed to live up to company expectations. Clorox also started distributing its Tilex mildew stain remover nationally with heavy ad spending via Foote, Cone & Belding/Honig, in addition to Clorox Pre-Wash laundry soil and stain remover, assigned to Ketchum Advertising. It moved Fresh Step odor-controlling cat litter into test in Salt Lake City and Cincinnati, supported by ads via Young & Rubicam, San Francisco.

In the early part of 1982 Clorox discontinued marketing of its Duraflame firelogs, a product it had acquired in 1978. It is said to have been operating in the red on annual sales of $20 million to $25 million. Clorox puts the blame for Duraflame's demise on the sorry state of the firelog market, which has been declining in general at a 20% to 25% pace for the past several years.

In charcoal, Clorox is still the national leader with its Kingsford and Match Light brands, but sources say Clorox is not making the kind of profit margins it desires on the labels. Company sources deny there is any possibility the company might make a similar decision about charcoal as it did about firelogs earlier in 1982.

In 1981 Clorox pulled out of a category in which it had tried its hand—liquid soap—after severing its ties with Evolution Health Care, Taylor, Tex. The two companies had a joint marketing agreement on the product, and Clorox had had a two-year option to acquire Evolution. That relationship was terminated after the product lost ground in supermarket and other retail outlets because of strong drives from soft soap competitors, Jergens and Minnetonka.

Over-all, Clorox increased spending in network tv about $5.2 million to a total of $49.7 million in 1981, compared to 1980 levels of $44.5 million. It also practically doubled its expenditures in spot tv to $7.5 million from 1980 levels of $4.1 million.

KNOW THY COMPETITION

See page 125

LNA

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$1,023,700	$10,200
Magazines	5,670,200	3,876,100
Spot tv	7,551,500	4,130,500
Network tv	49,687,600	44,490,300
Spot radio	16,200	—
Network radio	1,109,700	—
Outdoor	11,600	—
Total measured	65,070,500	52,509,300
Unmeasured	15,690,500	22,044,700
Estimated total	80,761,000	74,554,000

MARKETING PERSONNEL

Calvin S. Hatch, chairman, ceo
C.R. Weaver, president
John W. Collins, group vp
C.J. Swenson, group vp
Carl V. Stinnett, vp-sales
G.R. Victor, vp-Olympic Stain div
R.A. Bolingbroke, vp-Kingsford div
G.C. Sullivan, vp-food service prods div
R.C. Richter, vp-intl div
M.R. Gallagher, genl mgr, household prods div
David L. Goodman, vp-public affairs & mktg services
D.L. Spencer, adv mgr—Kingsford div
M.A. Perry, director of mktg, Clorox food service prods div
R.H. Meyskens, mktg mgr, Olympic stain div
R.H. Bolte, director of media operations

ADVERTISING AGENCIES

Foote, Cone & Belding/Honig, San Francisco—Clorox bleach, Clorox 2, Formula 409, Soft Scrub, Twice As Fresh, Tilex—J.B. Balousek, mgmt super.

Ketchum Advertising, San Francisco—Liquid-plumr, Litter Green, Clorox Pre-Wash, Kingsford charcoal—D. Snedaker, mgmt super.

Young & Rubicam, San Francisco—Match Light, Salad Crispins, Kitchen Bouquet, Hidden Valley Ranch salad dressing, B in B mushrooms—C. Mill, mgmt super.

Kraft/Smith, Seattle—Olympic paints and stains—S. Darland, mgmt super.

Marx/David, San Francisco—all Clorox foodservice prods except Moore's frozen foods—J. David, mgmt super.

Scott Inc., Milwaukee—Moore's frozen foods—C. Reynolds, mgmt super.

Coca-Cola Co.

	1981	1980
Sales	$5,883,035,000	$5,620,749,000*
Earnings	481,782,000	422,108,000
Advertising**	197,831,700	184,185,700

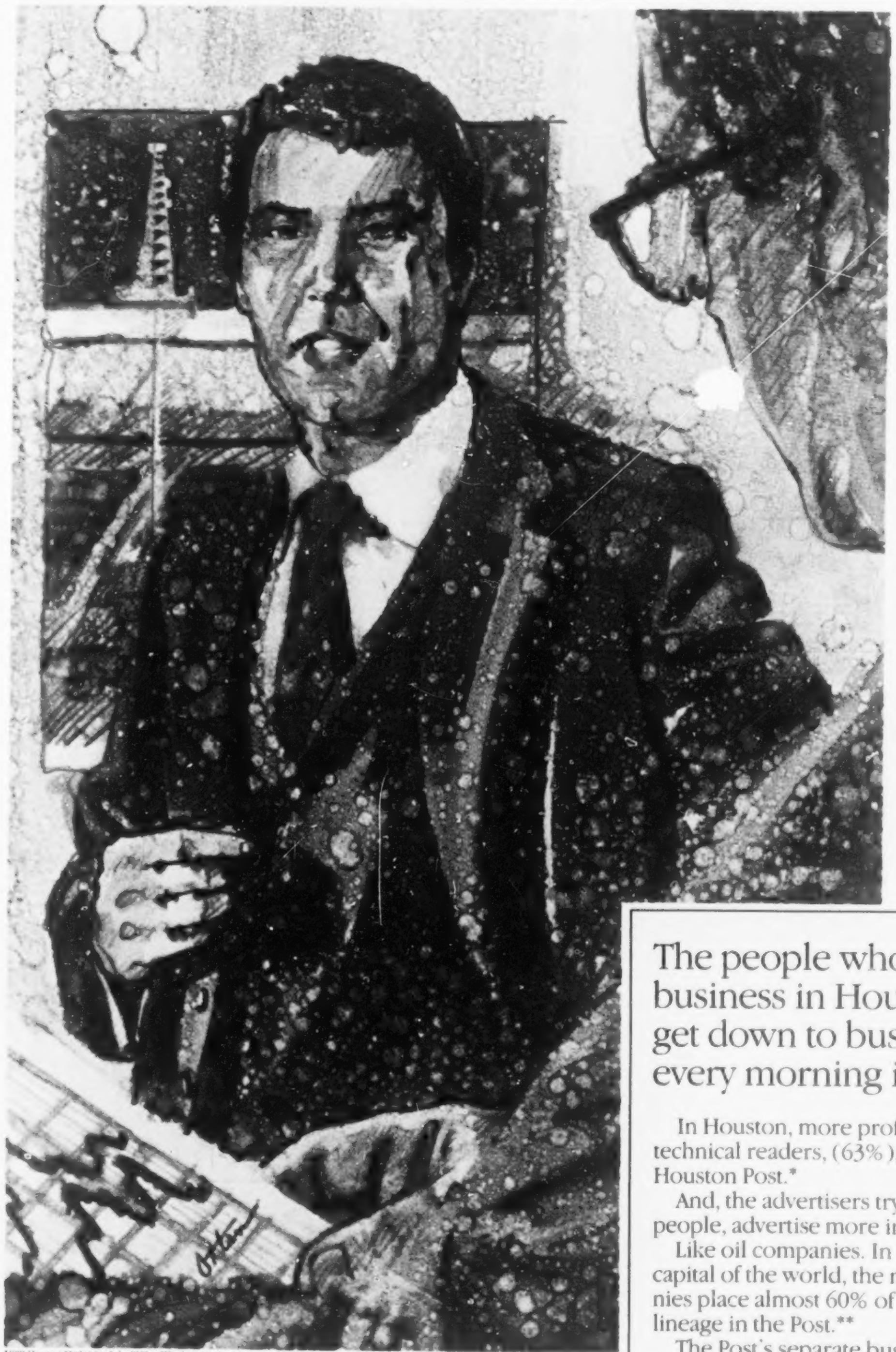
*Revised by company to reflect the sale of Aqua-Chem and Tenco division
**AA estimate

Coca-Cola Co., Atlanta, the 22nd largest national advertiser, increased its ad spending 7.4% to an estimated $197.8 million in 1981. Worldwide media ad spending was $414 million in 1981 compared with $395 million in 1980.

Net sales for Coca-Cola were up 4.8% last year, from $5.6 billion to $5.9 billion, compared with an increase of 19.9% in 1980. Earnings were up 14%, from $422 million in 1980 to $482 million last year.

Soft drink unit sales, which made up 80% of net sales and 88% of 1981 earnings, increased 3.6% worldwide, compared with a 20.1% increase the year before. Sales revenues from soft drinks were up by 4%, to $4.68 billion from $4.52 billion in 1980.

Net sales of nonsoft-drink products were up 9.7% in the past year, compared with an



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*1981 Houston Market Study by RICI **Daily & Sunday full run. Source: Media Records Inc.

18.9% increase the year before.

In 1981, the company's combined U.S. operations accounted for 55% of total net sales and 37% of earnings. Net sales from U.S. operations were up 6%, while earnings were up 21%.

Coke, the company's flagship brand in a sea of beverage brands including Tab, Sprite, Fresca, Mello Yello and Mr. PiBB, has come a long way since it was invented in Atlanta in 1886 to become a cure-all for the aftereffects of overindulgence. It is now the world's No. 1 soft drink, sold in more than 145 countries. with sales of over $2 billion annually.

Second to soft drinks, citrus is the company's largest business, including products sold under the Minute Maid and Hi-C labels. The company also markets coffee and tea. However, in the last couple of years it has been the wine segment that has proved to be the sprinter among the holdings.

Despite the battering the company has taken this past year as a result of foreign currency translations, the drop in sugar prices and energetic competition from its rival Pepsi Cola, there is a mood of buoyancy in the company that was not there three years ago. Much of the mood can be attributed to the new management team.

Ever since Roberto Goizueta, chairman and chief executive officer, took over from the austere J. Paul Austin in March, 1981, the direction the company has taken has been as unconventional, they say, as Mr. Goizueta's silk ascots. In addition to the Cuban-born Mr.Goizueta, the new team includes Iowa-born Donald Keough, president and chief operating officer, and Egyptian-born Sam Ayoub, senior exec vp and chief financial officer.

Others recognize the change as well. "It's clearly a management team that's a lot tougher in the marketplace than the old one," John Scully, president of PepsiCo's Pepsi-Cola Co., has been quoted as saying.

The company also cites the continued restructuring and strengthening of its bottler system and the opening of the first Coca-Cola bottling plant since WW II in China as major accomplishments of 1981.

One of the most controversial recent developments was Coca-Cola's purchase of Columbia Pictures Industries, for $750 million, in June.

It was Mr. Goizueta's first major acquisition, and first major move in stamping his own personal style on the soft drink behemoth. The move, however, prompted mixed reactions from industry analysts.

Chairman Mr. Goizueta said in a recent interview, "The entertainment business provides an opportunity for high growth potential without requiring two things that the Coca-Cola Co. isn't good at: High technology and investment in hardware." These areas—film, entertainment and programing for cable and pay tv—seem to be of special interest to Mr. Goizueta, who also has mentioned fragrances as another possible field for diversification.

Another big move recently, partially prompted by new management, partially by research, has been the change in the ad campaign for the flagship brand, Coke. The "Have a Coke and a smile," used since 1979, has given way to "Coke is it!" released nationally this February after rigorous and expensive testing during the past year. Mirroring Coke's management's new aggressive stance, this campaign is considered its "fight" song.

One of the most well received commercials for the new "Coke is it" campaign was created by Burrell Advertising, a Chicago-based black agency that has been with Coke for years. It features the Grambling College marching band and is targeted to mostly black audiences.

Last year there was a flap when the Rev. Jesse Jackson's black activist organization Operation PUSH, Chicago, boycotted Coca-Cola Co. products because, according to Rev. Mr. Jackson, the company offered little opportunity for blacks to enter its franchise business. Coca-Cola offers more for blacks in Third World countries than in the U.S., he said. As a result, Coca-Cola agreed to spend $30 million on black businesses and help arrange for more blacks to win lucrative Coke bottling franchises. As part of that pledge, the company agreed to assign a black-owned agency a product "from any division" that would lead to $8 million in billings. Although Burrell Advertising is a strong contender for that account, it has not, as yet, been assigned.

Other maneuverings that went on in 1981, to culminate in early 1982, were Coke's decisions about a diet beverage to carry the Coke logo. Coke has overcome its earlier concern that such a move might cut into its flagship brand franchise. It now plans to spend more than $50 million to launch Diet Coke, scheduled for test market this summer. The company also noted it will enter the caffeine-free category when it believes the time is right.

How did the Coke-Pepsi battle look at the end of the year? As with last year, it depends on the source. Several industry watchers ascribe a one-tenth of a percentage point drop for Coke in 1981, from 24.3% to 24.2%. Pepsi, on the other hand, is shown moving up three-tenths of a point, from 18% to 18.3%. into case sales.

A.C. Nielsen Co., which measures retail sales through surveys of food and drugstores, shows Coke out in front in that heated area in which Pepsi momentarily overtook Coke during 1981. Although the battle has been neck and neck in the supermarkets, in total U.S. sales Coke is the unquestioned leader because of its strength in fountain and vending sales. According to Nielsen, Coca-Cola brands as a whole moved up to 30.9% in 1981 from 30.0% in 1980. Pepsi products were at 29.4% from 29.1% in 1980.

The battle has particularly affected bottlers, who, because of the intense competition between the two, are tending to spend more time on Coke and Pepsi and less on other brands. The constant discounting and price wars are costing both companies money. Some believe that the recent veering off into caffeine-free for Pepsi and Diet Coke for Coca-Cola might allow the head-on competition to subside for a while.

Tab, Coke's sugar-free cola and the world's No. 1 diet product, holds the No. 5 position in the top 10 soft drink lineup in the U.S. According to *Beverage Industry*, its market share increased from 3.2% to 3.6% in 1981, while Diet Pepsi—No. 8—went from 2.6% to 2.9%. Nielson puts Tab figures for 1981 at 4.1% over Diet Pepsi's 3.6%. Ad spending for the "Beautiful People" product was up 18% in 1981, from $13.1 million to $15.1 million, with the majority in network and spot tv.

The "The beautiful drink for beautiful people" campaign has been going on for five years. Some considered the beach-oriented spot a "mind grabber" because of the beauty of the model's figure, a perfect "10." Others—a definite minority—found it exploitative and offensive.

Sprite, Coca-Cola's lemon-lime product, continues to be the No. 3 product for the company. "When you're reachin' for more . . . reach for Sprite" continues into its third year, although sugar-free Sprite has a new campaign: "Great taste says you shouldn't . . . but you can." Ad spending for regular Sprite was just about the same as last year. According to *Beverage Industry*, Sprite holds the No. 7 position in the top ten soft drink lineup, losing its prior-held No. 6 position to Pepsi's Mountain Dew.

Fresca's transformation in 1980, from taste to logo to packaging to ad campaign, had disappointing results. According to figures compiled by Emanuel Goldman, beverage analyst with Sanford C. Bernstein & Co., New York, cases of Fresca dropped from 38 million sold in 1980 to 28 million in 1981. Ad spending for the product in 1981 was down 18%, from $7.9 million in 1980 to $3.7 million in 1981, mostly concentrated in network tv.

Ramblin' Root Beer, on the other hand, in only its second year of test marketing, was given an ad spending boost of over 600% in 1981, from $135,000 in 1980 to $1.1 million in 1981. According to the company, it is now the largest-selling root beer in New York.

Ad spending for Mello Yello, which has gone from "Mello Yello makes you feel so good so fast" to "Mello Yello to the rescue" was down last year some 25%, from $3.7 million to $2.7 million.

Its over-all market share, however, increased slightly, from 0.8 % to 0.9%.

Sales of Mr. PiBB dropped from 39 million cases in 1980 to 34 million in 1981. Its market share dropped from 0.7% to 0.[illegible]%, according to Tom Bachman of *Beverage Industry*. Ad spending for the product was down more than 40%, from $1.3 million in 1980 to $757,900 in 1981.

On other fronts, the foods division was revamped into the Foods and Wine Group, which now includes the Foods division, the Wine Spectrum and Presto Products, all under the management of Ira C. Herbert, group president.

After soft drinks, citrus is Coca-Cola Co.'s largest money maker. It is the largest producer and marketer of citrus in the world. The foods portion of this group includes citrus and fruit juices sold under the Minute Maid, Snow Crop, Five Alive and Hi-C labels and coffee and tea under the Maryland Club and Butter-Nut labels.

The citrus industry was knocked briefly to its knees after a mid-January Florida freeze temporarily disrupted fruit supply. As the prices shot up, sales went down, causing an over-all slump in the frozen concentrated orange juice category.

Nonetheless, Minute Maid frozen concentrated orange juice continued to lead the pack in the frozen orange juice category. Over the past five years, Minute Maid in cartons has achieved an annual growth rate of 44%. The Minute Maid family has grown to include Minute Maid Frozen Concentrated Orange Juice with More Pulp, a 100% all-juice sibling with no sugar or preservatives and a Minute Maid reduced-acid orange juice.

Minute Maid's frozen concentrated apple juice, introduced nationally in 1981, achieved a 15% market share in its category within the first six months on the market. The frozen apple juice category itself grew 58% in 1981, making it one of the fastest growing areas in supermarket sales.

Total ad spending for Minute Maid products, including orange, lemon, apple and grapefruit juices, lemonade products and presweetened mixes, was $15.8 million, according to Leading National Advertisers figures, down from $16.4 million in 1980.

Five Alive, a frozen concentrate made from the juice of five citrus fruits, went national in 1979, and last year shot ahead of the other fruit drinks to become No. 2 after Minute Maid. Five Alive's success was the catalyst for Fruit Punch, introduced in 1980, made from cherries, apples, pineapples, grapes and lemons. In early 1981, Five Alive appeared in a new form, refrigerated and ready-to-serve, supported with $3.9 million—all in network tv.

Ad support for all Five Alive juice products increased from $6.3 million in 1980 to $8.2 million in 1981, a 30% jump.

In the fruit drink category, Hi-C maintained its No. 1 spot in 1981, adding on an apple-cranberry flavor early in the year. A new development in 1981 was the introduction of "Hi-C in the drink box"—aseptic packaging. The new packaging, Brik Pak, which comes with an attached straw, has proved successful with children.

Ad spending for all Hi-C products was up 15%, from $2.7 million in 1980 to $3.1 million in 1981.

Coca-Cola's two coffee products, Maryland Club and Butter-Nut, maintained their market shares over the past year in a category whose slump seems to be leveling off. The general aging of the population is a factor cited for the end of the two-decade-long decline that has plagued the coffee industry.

Market share of Maryland Club is 1% and Butter-Nut is 2.4%, according to early 1982 figures compiled by Lehman Bros. Kuhn Loeb research.

The other side of the newly organized group, The Wine Spectrum, put in a star performance in 1981, with a 20% increase in sales, making it the fastest-growing wine company in the country.

Presently, it ranks No. 4, after E.& J. Gallo, United Vintners (Heublein) and Almaden (National Distillers).

The group includes wines made and distributed under the Taylor, Sterling, Monterey and Great Western labels as well as New York state champagnes, Solera dessert wines and Cinzano Italian wines.

Taylor California Cellars continues to be the most successful entry in the wine industry since its debut in 1978. Its ad campaign, "Better wines. . .judge for yourself" promoting the generic brands, chablis, rhine, rose and burgundy, continues. And, as of last year, rose was added to chablis and burgundy in the canned category for airline use. As of early 1982, Delta Air Lines now serves wines in cans on all its flights.

In 1981, Taylor California Cellars brought in the first lower-calories wine in the U.S.—Light Chablis of California, test marketed in 12 markets, and backed with heavy media support, with the theme, "The perfect time for your other wine." Results were good, and national introduction in early 1982 brought in light rhine and rose, in addition to the chablis. Following the trend to "light" drinks, these wines have approximately 25% fewer calories than the regular wines. Also introduced in 1981 were Taylor California Cellars dry red and dry white wines.

The Monterey Vineyard continued to focus on its white vintage varietals while Sterling Vineyards markets both red and white varietals, exclusively estate-bottled and vintage-dated, from the chardonnay, sauvignon blanc, merlot and cabernet sauvignon grape.

Last year, The Taylor Wine Co., Hammondsport, N.Y., began the test marketing of its Lake Country Soft red, white and pink wines. The wines are low-alcohol, slightly carbonated and semidry and the company bluntly states its mission is to cut into the Italian Lambrusco market, which makes up the largest segment of the imported wines.

Ad spending for Taylor and Taylor California Cellars wines increased 14% last year, from $10.6 million to $12 million, with most of the concentration on network tv.

Great Western's new line of Special Selection varietals is helping to change New York's wine image. They include Verdelet, Aurora Blanc, Rose de

Chaunac and Vidal Ice Wine. According to the company, response from the wine writing community has been excellent.

Other developments at Coca-Cola include the combining of the plastic products operations, Presto Products and Winkler/Flexible Products, into a single group, Presto Products Inc. within the newly formed Foods and Wine Group.

Also, the company shed its Aqua-Chem subsidiary, maker of steam generators, industrial boilers and water treatment equipment for $29 million to the Societe Lyonnaise des Eaux et de L'eclairage, Paris. Also, earlier this year, the company sold its Tenco division, an operating unit that manufactured and distributed private label instant coffees and teas to Tetley Inc., Shelton, Conn.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$4,576,000	$5,418,100
Magazines	5,524,100	3,975,400
Spot tv	47,758,900	47,726,300
Network tv	61,023,500	57,897,300
Spot radio	12,480,500	9,988,400
Network radio	681,100	1,440,800
Outdoor	2,878,000	3,035,400
Total measured	134,922,100	129,481,700
Unmeasured	62,909,600	54,704,000
Estimated total	197,831,700	184,185,700

COCA-COLA USA

MARKETING PERSONNEL

Brian G. Dyson, president, Coca-Cola USA and senior vp, Coca-Cola Co.
Albert E. Davis, vp-adv prod, media services
Richard D. Czernaiwski, director, brand planning
Clare Bisceglia, director, adv & prod services
Charlotte Weissenberger, director, media services
Daniel O. Haas, mgr, promo

ADVERTISING AGENCIES

McCann-Erickson, Atlanta and New York—all brands—(Atlanta): Ronald Sugarman, exec vp, McCann-Erickson Worldwide; Wayne Thornhill, vp-mgmt rep, Coca-Cola USA; Joel Babbit, acct exec, Coca-Cola USA; Jay Heisier, asst acct exec, Coca-Cola USA; David A. Clapp, acct super, Tab; Bruce Hoster, acct exec, Tab (New York); Lawrence Glucs, vp-acct exec; Jim Buckley, asst acct exec, Tab; Jack Miller, senior vp-mgmt rep; Nancy Hanau, asst acct exec; Steve Weiss, senior vp.

Burrell Advertising, Chicago—black consumer advertising—Ronald Sampson, exec vp-client services; Keith Tunnell, mgmt super, services; Tom Burrell, president; Vernon Wright, acct super, Stuart Novy, creative director.

Marschalk Co., New York—Sprite and sugar-free Sprite, Mr. PiBB and sugar-free Mr. PiBB—John Dooner, mgmt super, Sprite & Sugar-free Sprite; Mike Mainthow, acct super, Sprite & sugar-free Sprite.

McDonald & Little, Atlanta—Fresca and Mello Yello—Al Kitchen, acct super; Trish McDonald, acct exec, Mello Yello.

Kenyon & Eckhardt, New York—Ramblin' Root Beer and sugar-free Ramblin'—Peter Dimsey, senior vp-mgmt rep; Mickey Abramson, vp-acct super, Hazel Shanken, acct exec.

FOODS DIVISION

MARKETING PERSONNEL

Eugene V. Amoroso, president
Al Munkelt, senior vp-mktg planning
Clint Owens, senior vp-genl sales mgr
Thomas C. Cleveland, senior vp-coffee and foodservice
John Youngjohn, mktg mgr-frozen prods
Frank Blod, Harry Robinson, mktg mgr-refrigerated prods
Jay Mower, vp-director of business devel

ADVERTISING AGENCIES

Marschalk, New York—all foods division—Dick Villante, exec vp-Minute Maid juices and ades; John Oliver, senior vp-Minute Maid frozen orange juice and lemonade; Scott Smith, acct super-orange juice; Bob Shea, vp-acct super, lemonade prods; Eric Einhorn, vp-acct super-variety juice products; Barry Linsky, exec vp-HiC prods, Snow Crop Five Alive, Butter-Nut, Maryland Club coffees, Bright & Early, new prods; Jim Johnson, senior vp-mgmt services director-HiC, Butter-Nut and Maryland Club coffee; Ken Roffe senior vp, Leslie Green, vp-acct super-new prods; Peg Jump, acct super-HiC; Gary DePaolo, senior vp, mgmt services director-Snow Crop Five Alive, Bright & Early; Michael Krugman, vp-acct super-Snow Crop Five Alive, Bright & Early.

WINE SPECTRUM

MARKETING PERSONNEL

Harry E. Teasley, president
Michael V. Cheek, natl sales mgr
Wesley M. Thompson, vp-mktg, planning
Margaret L. Stern, vp-external affairs
Thos. H. Muller, vp-finance & admin
Steven G. Gold, genl counsel
William E. Culhane, vp-field sales mgr

ADVERTISING AGENCY

Kenyon & Eckhardt, New York—Taylor Wines, Great Western, Taylor California Cellars, Taylor Lake Country Soft, The Monterey Vineyard, Sterling Vineyards—John Balson, exec vp; John Horne, senior vp-genl mgr, New York; Peter Dimsey Sr., vp-mgmt rep; Patricia Stewart, vp-mgmt super; Mickey Abramson, vp-acct super, Great Western, Taylor and Lake Country; Marcy Glanz, vp-acct super, Taylor California Cellars; Chris Van Wagoner, acct exec; Carole McCann, asst acct exec.

Colgate-Palmolive Co.

	1981	1980
Sales*	$5,261,364,000	$5,130,464,000
Earnings*	208,399,000	171,590,000
Advertising**	260,000,000	225,000,000

**AA estimate

Colgate-Palmolive Co., New York, the 13th largest national advertiser, boosted ad spending 16% to $260 million in a year when the company expressed renewed commitment to adequate media support.

A redirection of media expenditures to back major brands was named as one of six basic changes in organizational structure and operating emphasis that occurred during 1981. The others included organizational restructuring to capitalize on global strengths, establishment of a strategic and business development planning group, increased emphasis on major brands, increase in research and development and higher capital spending.

Colgate is still a company in transition as chairman Keith Crane re-establishes the company as primarily a major marketer of personal care and household products, eschewing the sports and apparel businesses acquired by his predecessor.

Worldwide sales rose 2.6% to $5.26 billion, while net income totaled $208.4 million, up 21.5% over 1980.

Colgate reported earnings of $109.8 million for the first six months of this year, a 1% increase over 1981. Sales fell 5.5% to $2.48 billion for the six-month period.

Worldwide, Colgate invested $307.5 million in media, up 7% over 1980. The company pointed out that in overseas markets, actual ad spending in local currencies rose by a significantly greater amount, but that is not evident from the figures because of currency translations. Colgate also pointed out that media spending as a percentage of sales moved up from 5.6% in 1980 to 5.8% in 1981.

Sales of household and personal care products worldwide, which account for 69% of total sales, rose 1.9% last year. Those products contribute 63% of operating profit. Colgate said in the U.S. it improved its position and achieved sales advances, especially in dentifrices, dishwashing liquids, detergents and first aid products.

U.S. sales account for 41% of the corporate total, while U.S. operating profits account for 37%.

Colgate emerged from the dentifrice war in the U.S. in a relatively good position. The company initially responded to competition with an improved formula for Colgate toothpaste offering a fresher mint taste as well as "unbeaten cavity" protection.

Later in the year, the company introduced Colgate winterfresh gel, which now accounts for one-third of the sales of the Colgate toothpaste brand.

Recent market shares indicate that Colgate has maintained its strong No. 2 position (behind Procter & Gamble's Crest) with close to 20% of the $800 million market. Like most of the other secondary brands, Colgate's Ultra Brite has lost ground and holds less than 3% of the category.

To achieve these rankings, Colgate invested $25.3 million in measured media for the Colgate brand, including $4.9 million specifically for the gel variety. Ultra Brite received $4.8 million in measured media.

The company dropped its plans to promote Fluorigard dental rinse heavily to consumers and spending fell to less than $500,000 from $3.5 million two years ago.

In laundry products, Colgate's single largest business, the company said sales benefited from the continuing acceptance of Fresh Start concentrated detergent.

The company also is rolling out Fab detergent with fabric softener and expects to be national by year-end.

There has been some question about whether Fresh Start has been the success the company originally hoped for since the brand has leveled off at about a 3.5% market share (based on case sales). Colgate asserts that it is satisfied with the brand's performance and that its share is over 5%. The discrepancy is believed because of Colgate's use of dollar sales instead of case sales.

Fresh Start received its first major direct competition several months ago with the introduction in several states by P&G of Ariel, a concentrated low-sudsing detergent it markets overseas. Ariel is P&G's biggest-selling detergent brand worldwide. Last year, Colgate invested $14.4 million in measured media to support Fresh Start, a $3 million increase over the previous year. Its other detergent brands include Fab and Dynamo, each holding 2.4%, and Cold Power at 1.6%.

Ad spending for Dynamo last year was $4.3 million and Fab, $3.5 million. Cold Power is no longer supported as a major brand.

In the light-duty market, Palmolive shares the No. 3 spot with a 12.5% market share. It trails P&G's Ivory and Dawn in the $1 billion category and is holding even with P&G's Joy. Last year the company spent $8.2 million to back Palmolive, some $2 million more than the previous year. The company tested several tv spots during the year that did not use long-time tv endorser, Madge, the manicurist, but so far actress Jan Miner has survived the test and continues to appear in national advertising.

The only other light-duty brands to receive significant ad backing were Dermassage, which got $1.9 million in measured media, and Ajax dishwashing liquid with $1.7 million. Ajax was reformulated to contain lemon juice.

Irish Spring deodorant soap remains Colgate's leading entry in the toilet soap category. The brand, with a 4% market share in the $850 million U.S. toilet soap market, was supported by $6.8 million last year. Palmolive and Cashmere Bouquet are among those products no longer profitable enough for major advertising.

The Ajax line of cleaning aids received $3 million in measured media support with most of the dollars going into the dishwashing liquid ($1.7 million) and liquid cleaner ($1.3 million).

Another household product, the Baggies line of plastic bags, continued to experience declining ad spending. Although the No. 2-seller of food bags, the company spent less than $1 million to support the products in measured media.

Colgate boosted spending slightly to $2 million in an effort to increase market share of its Curad bandages, a brand with 25% of the category that holds about half as much share of market as leader Johnson & Johnson's Band-Aids.

In the foods division, the company's major ad focus was on Success Boil-in-the-Bag rice, a brand that received more than $1 million in advertising. Other brands, Carolina, Mahatma, River and Water Maid, do not receive full-fledged campaigns. Colgate is the leading marketer of branded rice in the U.S., although rival Uncle Ben's is the leading single brand.

Colgate expanded its use of cable by spending more than $500,000 on Ted Turner's Cable News Network. The company already spends over $1 million on superstation WTBS. The amount is about the same as the company spends on syndicated properties and was seen as good protection for Colgate in the spring and summer when network tv numbers sometimes sag. The CNN time also gives Colgate some help in urban markets.

During the year, Colgate was ordered by the U.S. Supreme Court to pay United Roasters $950,000 for breach of contract in a dispute related to the marketing of Bambeanos soybean snack several years ago. The case had been in the courts the past four years.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$3,712,100	$2,045,000
Magazines	9,394,300	7,148,000
Farm publications	—	182,300
Spot tv	22,263,700	23,636,800
Network tv	47,998,800	40,050,000
Spot radio	5,508,500	6,208,500
Outdoor	42,900	65,500
Total measured	88,920,300	79,336,100
Unmeasured	171,079,700	145,663,900
Estimated total	260,000,000	225,000,000

CORPORATE PERSONNEL

Keith Crane, chairman, president, ceo
Reuben Mark, exec vp
William Powell, exec vp
Roderick Turner, exec vp

U.S. MARKETING

MARKETING PERSONNEL

A. Courtenay Shepard, vp-genl mgr
Barrie Spelling, vp-mktg
A. Allen, vp-creative services
David Enfield, director-mktg, regular prods
Tony DeNisco, director-mktg, new prods
Madi Ferencz, category mgr-heavy-duty detergents
M. Carl Johnson, category mgr-oral care prods
G.S. Parker, mkt rsch director
H.D. Way, director-media

ADVERTISING AGENCIES

Ted Bates Advertising, New York—Colgate toothpaste, Palmolive liquid, Dynamo detergent, Palmolive soap, Palmolive Rapid Shave—Roger Pisani, exec vp; Geoffrey Clarkson, Sheila Paterson, senior vp-mgmt reps; Ila Feld, Peter DePasquale, Justin Harrington, vp-acct supers; Diane Kalebjian, Tony Stanol, Tom Banks, Tad Van Dusen, acct execs; Amy Cammann, asst acct exec.

William Esty Co., New York—Irish Spring soap, Ultra Brite toothpaste, Fab detergent, Ajax cleaning aids, Baggies plastic bags, new prods corporate—Andrew Allen, senior vp-mgmt super; Andrew Mockler, vp-acct super; Ray La France, acct super; Donna Klein, Barbara McKale, Nadine Saker, Lisa Partrick, Sheldon Woodbury, acct execs; Barbara Ryan, Laura Sydney, asst acct execs.

Kenyon & Eckhardt, New York—Fresh Start detergent, Curad bandages, Dermassage dishwashing liquid, Fluorigard dental rinse, new products—John Horne, senior vp, genl mgmt; Jack Couch, vp-mgmt super; David McConnaughey, vp-acct supers; Sandy Tapper, Joan Zwiep, acct execs; Mike Dabrowski, asst acct exec.

Siboney, Coral Gables, Fla.—advertising to Hispanics for Colgate toothpaste, Fresh Start, Fab, Palmolive dishwashing liquid, Palmolive soap, Irish Spring—Gary McBride, acct super, all prods; Iraida Hernandez, sr acct exec, Palmolive dishwashing liquid, Palmolive soap, Irish Spring; Mili Rothman, asst acct exec, Fab, Fresh Start, Colgate toothpaste.

SPORTS & RECREATION DIVISION

MARKETING PERSONNEL

J.E. Grimm III, vp-genl mgr

BIKE ATHLETIC

MARKETING PERSONNEL

J.M. Axford, president
J. Corbett, mktg mgr

ETONIC INC.

MARKETING PERSONNEL

S.D. Tannen, president
J.R. Larsen, vp-mktg

ADVERTISING AGENCIES

Lavidge & Associates, Knoxville, Tenn.—Bike Athletic—Hal Ernst, acct exec.

Creamer Inc., Providence, R.I.—Etonic—Guy Corcoran, vp.

KENDALL CO.

MARKETING PERSONNEL

J.D. Sherratt, president
R.L. Gilson, director-mktg services
R.A. Murray, genl mgr

Hospital Division

T.E. Tierney, group vp-worldwide
C.P. Bruen, vp-domestic
K. Wester, ad mgr

ADVERTISING AGENCIES

Ingalls Associates, Boston—(media)—Linda McDonald, acct exec; Becky Holt, acct coordinator.

Rizzo, Simons & Cohn—medical and patient care creative—Rick Cohn, acct exec.

Industrial Division

F.J. Zeitvogel, group vp
D. Battelle, ad mgr

Industrial Fabrics

J.H. Jacobsmeyer, vp

Fiber Products

R.C. Gockleman, director-mktg
J.N. Balboni, director-mktg
L. Kanner, director-mktg

Polyken Division

T. Gilmore, director-mktg

ADVERTISING AGENCY

Ingalls Associates, Boston—Linda MacDonald, acct exec.

Consumer Division

E.E. Hinds, vp

ADVERTISING AGENCY

Humphrey Browning MacDougall, Boston—Curity diapers, baby clothing—Martha Brown, acct mgr; Rick Britton, acct super.

ACCESSORIES DIVISION

MARKETING PERSONNEL

John Galazin, vp-sales & mktg
Betty Bowes, director-mktg
Margaret Krome, senior prod mgr

ADVERTISING AGENCY

North Castle Partners, Greenwich, Conn.—Charles Taney, senior partner & mgmt super; Evie Coghlan, acct super; Cindy Wilford, acct exec.

RIVIANA FOODS

MARKETING PERSONNEL

F.A. Godchaux III, ceo
Joseph A. Hafner Jr., president
R.E. West, exec vp-sales & mktg, Riviana Rice USA
C.L. Haines, asst vp-mktg, Riviana rice USA
Richard L. Carte, DVM, vp-pet prod mktg, Hill's
Donn Harling, mktg director, Hill's
James C. Humphrey, vp-pet chemicals div
Joseph L. Weinberg, vp-Holiday Chain, Hill's

ADVERTISING AGENCIES

Bloom Agency, Dallas—Riviana rice, Holiday—John Cox, acct exec, Riviana; Bill Oakey, acct exec, Holiday.

Harmon Smith Advertising, Kansas City—Hill's—John Lee Smith, exec vp.

ASSOCIATED PRODUCTS

L. Karl Hollering, vp-genl mgr
A. P. Chadourne, director-mktg, Sterno, new prods
W.R. Voorhees, director-mktg, indl, instl, military

ADVERTISING AGENCIES

Stern Walters/Earle Ludgin, Chicago—indl, instl, Sterno—W.J. Lowney, president; C. Beazley, acct super.

Albert J. Rosenthal & Co.—military—A. Becker, acct super.

Columbia Pictures Industries

	1981	1980
Sales	$686,600,000	$691,800,000
Earnings	44,300,000	44,900,000
Advertising*	47,500,000	43,000,000

*AA estimate

Columbia Pictures Industries, New York, purchased by Coca-Cola this year, was the nation's 90th largest national advertiser in 1981, with ad expenditures of $47.5 million, an increase of 10% from the previous year.

Sales dropped 0.8% to $686.6 million, primarily as a result of a 46.5% revenue decline in the company's amusement games division, D. Gottlieb and Co. At $44.3 million, earnings were down 1.3% from the 1980 fiscal year.

Nevertheless, board chairman Herbert A. Allen and president/chief executive Francis T. Vincent Jr., called the 1981 fiscal year "an important and exciting one for Columbia. Despite some extraordinary pressures, our company made strong financial and operating progress."

Columbia Pictures Industries is an entertainment company involved in production and distribution of films, tv shows and home programs, as well as a manufacturer of amusement games. Columbia also operates broadcasting stations, a music printing unit, tv commercial production facilities, an out-of-home advertising group and a merchandising division.

Just recently, Columbia Pictures Industries was purchased by Coca-Cola in a cash/stock deal reportedly totaling in the $800 million range.

The deal has been credited to the "Eller connection," in reference to Karl Eller, who joined Columbia early in 1981 as head of its communications division. Shortly thereafter, Columbia announced its intention to buy Outlet Corp. and its broadcasting properties, but the deal fell through when Columbia merged with Coca-Cola.

According to reports, Mr. Eller's friendship with Ira Herbert, a Coke executive vp, was the basis for talks that led quickly to an offer from Coca-Cola at a price that some financial analysts felt was quite high.

Mr. Allen, however, voiced much enthusiasm for the Coke takeover, noting that "it will put Columbia and its management in a dominant place in the entertainment industry for years to come."

And Coca-Cola chairman Roberto O. Goizeuta remarked that his executives saw the entertainment field as one having excellent prospects "for profitable growth. . .particularly in areas of filmed entertainment and programing for cable and pay tv."

Fiscal 1981 was marked at Columbia Pictures Industries by certain notable developments, including elimination of intense friction by the repurchase, after costly litigation, of Kirk Kerkorian's 24% interest in the company.

Columbia Pictures prospered, company executives maintain, in a year when the film industry as a whole "was stagnating."

The company's rentals in the U.S. and Canada totaled $184.6 million, up $8 million from the record-breaking previous year.

"Stir Crazy," with total measured spending in 1980 and 1981 of more than $5 million, proved a financial smash, reportedly grossing $100 million in its initial six months. Pay television licensing agreements and sale of network tv rights boosted profits for the Richard Pryor-Gene Wilder film.

Columbia, in fact, noted that "Stir Crazy" is the third-highest-grossing film in its history (behind "Close Encounters of the Third Kind" and "Kramer vs. Kramer") and "one of the most successful comedies of all times."

"Stripes," launched with a measured spending total of $4.7 million, reaped much success. Columbia used the national entertainment and sports cable network, ESPN, to aid in promoting the film.

Measured spending for Columbia pictures hit $36.7 million and included promotion for such films as "Absence of Malice," a winter release whose ad costs ran to $4 million. Other 1981 Columbia pictures included "Cheech and Chong's Nice Dreams," with a fiscal year rental total of $14 million, and "Tess," backed by a $3.5 million spending campaign and opened through a gradual release system.

Columbia releases also included "The Competition," with $3.8 million in spending; "American Pop," "Modern Romance" and "Happy Birthday to Me."

The company invested close to $4 million to push "Neighbors," which was a December, 1981, release starring John Belushi, whose death occurred shortly thereafter.

Network tv spending comprised close to 90% of all measured media output for Columbia's 1981 films. This reflects

Key Markets.

Buddy
Illinois Entertainer
Muddy Waters
BONNIE RAITT Rocks Out
CITY PAGES
THE STONES
Sweet Potato
ERIC BURDON ANIMALISM LIVES!
Good Times
The Rocket
CONCERT CALENDAR
BAM
NEAL SCHON
THE BLASTERS American Music
The Return of DEL SHANNON

The Bam™ Network
Young adult entertainment magazines across the nation.

New York • Los Angeles • Chicago • San Francisco • Boston • Dallas • Houston • New Jersey • Minneapolis • Orange County • San Diego • Seattle • San Jose • Sacramento
San Francisco: Joe Amadeo (415) 652-3810 **Los Angeles:** Charlie Becker (213) 617-9818
Chicago: Ray Tobin (312) 561-9334

the approach of Marvin Antonowsky, newly appointed to the presidency of marketing and research.

Mr. Antonowsky, who delves heavily into research, has been quoted as saying that the film industry's marketing direction will be "more and more tv."

"I don't know of any way to market pictures without tv advertising."

Under Mr. Antonowsky, Columbia begins testing print ads right after production of a film begins. The advertising is researched and fine-tuned until the best possible ad is created.

In its annual report, Columbia notes that television is used heavily to promote films because it is the most efficient way to reach those aged 12 to 29, the group which makes up a high percentage of moviegoers.

Ogilvy & Mather's fee basis work for Columbia is basically in the tv placement end, while Columbia has increased its in-house creative staff, which handles about half the studio's releases.

Columbia in fiscal 1981 continued gearing for its $40 miliion musical, "Annie," whose film rights it had purchased in 1977 for a record $9.5 million. The advertising/promotion budget reportedly was around the $10 million mark for the movie, which follows a long and successful Broadway stint for the show.

Opening this summer against such Hollywood smashes as "E.T.," "Rocky III" and Star Trek II," all produced by competitors, "Annie" garnered lukewarm reviews.

Even as it opened, though, Mr. Antonowsky commented, "we've got our money back already." Columbia, in fact, has sold $30 million in theater guarantees, $10 million in tv rights, and $10 million for HBO. In addition, "Annie" products were being sold through licensing agreements with a large number of toy companies, clothiers, publishers, etc.

Home video entertainment continues to form an important segment of Columbia's business. A joint venture with RCA will enable Columbia to market home video programs worldwide. Columbia in 1981 also signed a pact with Bell & Howell to expand videocassette offerings. Cassettes of Columbia's feature film, "Close Encounters of the Third Kind," attained $1 billion in sales quickly after release.

Also, late in 1981, Home Box Office acquired exclusive rights to Columbia films for a number of years and will aid Columbia with production costs for upcoming films.

Fiscal 1981 saw Columbia Pictures become producer of specials through the company's Rastar Television Inc. "Sixty Years of Seduction" and "Ripley's Believe It or Not" headed the inaugural list. The restructured division, under president Herman Rush, also beat all other studios in completing sales of three new series to networks: "Code Red" to ABC; "Mr. Merlin" to CBS, and Mickey Rooney's "One of the Boys" to NBC.

Columbia Pictures Television has acquired most of Time-Life's television assets, including a library for television distribution all over the world. And Columbia Pictures Television Domestic Distribution, under Joseph Indelli, continued as one of the nation's largest peddlers of movies and specials.

EUE/Screen Gems, a Columbia unit that produces tv commercials, fought for a share of the plummeting commercials market and recorded lower profits than in the past year.

But Columbia's merchandising division is prospering not only with securing of licenses for "Annie" items, but also from such merchandising efforts as that connected with the animated "Heavy Metal," which also got promotion help from the *National Lampoon*, which has a "Heavy Metal" fantasy magazine.

Gottlieb Co., under president Boyd M. Browne, is the subject of a revitalization program with plans to branch out from coin-operated games to video models, after losing a substantial portion of market shares in 1981. Analysts believe that Coca-Cola can provide funds to Gottlieb for expansion in videogames.

Eller's communications division is a core of Columbia's growing involvement in that area. Eller is expected to continue his bid to enlarge Columbia Pictures Communications through acquisition. With New York Subways Advertising now in the Columbia fold, having come on board when Eller joined the Columbia ranks last year, a push is on to renew the contract of the unit's biggest franchise—the New York lines.

He has said he is not interested at this time in bringing cable tv companies into the Columbia family.

Major personnel changes include the resignation last July of Leo Jaffe as board chairman, and the addition of chairman to the president's title held by Frank Price.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$866,400	$282,400
Magazines	1,225,000	1,171,800
Spot tv	2,762,700	5,141,400
Network tv	32,612,000	27,121,000
Spot radio	3,101,100	2,698,300
Network radio	60,600	—
Outdoor	43,200	17,300
Total measured	39,871,100	36,432,200
Unmeasured	7,628,900	6,576,800
Estimated total	47,500,000	43,000,000

COLUMBIA PICTURES
MARKETING PERSONNEL

Marvin Antonowsky, president-mktg rsch
Ken Blancato, senior vp-creative adv
Stephen Kasloff, vp-creative adv
Todd Martin, vp-production, adv, publicity
Randy Wicks, vp-director of adv
Steve Randall, senior vp-rsch
Lenore Cantor, vp-rsch
Edward Roginski, senior vp-publicity/promo
Sue Barton Kirkland, vp-East Coast publicity
John Flinn, director-industry relations
Kathy Orloff, natl publicity director
Michelle Reese, natl promo director
Paula Kelley, senior vp-media adv
Diane Charbanic, director-media adv
Jack Friend, director-co-op adv
John Spinka, director of administration

Columbia Pictures Television
Herman Rush, president

Columbia Pictures TV Distribution
Sherman Oaks, Cal.
Joseph Indelli, senior vp-domestic sales

Columbia Pictures Merchandising
Lester Borden, vp-genl mgr

Columbia Pictures Communications
Carl Eller, president

Columbia Pictures Publications
Hialeah, Fla.
Frank Hackinson, president

D. Gottlieb & Co.
Northlake, Ill.
Boyd W. Browne, president-ceo

EUE/Screen Gems
New York
Steve Elliot, president

ADVERTISING AGENCIES

Ogilvy & Mather, Los Angeles—Mary Ellen Stoetzel, vp-mgmt super; Ro Campbell, vp-media director; Betty Pumpian, media director; Jules Fine, exec vp-director of mktg services; Chuck Bachrach, senior vp-broadcast director.

Diener/Hauser/Bates—New York: Norman Trell, senior vp-acct super; Larry Friedman, acct exec. Los Angeles: Eugene B. Cofsky, president-West Coast division; Barry Orell, acct exec.

Consolidated Foods Corp.

	1981	1980
Sales	$6,000,000,000*	$5,614,100,000**
Earnings	157,000,000*	140,300,000**
Advertising†	166,399,700	149,221,000

*Company estimate for fiscal year ending July 3, 1982
**Fiscal year ended June 27, 1981
†AA estimate

Consolidated Foods Corp., Chicago, the nation's 34th largest national advertiser in 1981, spent an estimated $166.4 million on advertising during the last calendar year, an increase of slightly more than 11.5%. Sales for fiscal 1982 (ending July 3) rose an estimated 7% to $6 billion, with earnings estimated to have grown by 11.8% to $157 million.

Despite its name and its position as one of the nation's largest food processors, Consolidated Foods is considered by many analysts to be more of a package goods company than a food operation.

The company, beginning as a small food wholesaler and incorporating in 1941, went through a long period of growth by acquisition through the early 1970s. As a result of its rapid growth, Consolidated Foods ended up owning not only such strong branded food and service lines as Sara Lee, Popsicle, Shasta soft drinks, Electrolux vacuum cleaners, Fuller brushes and Hillshire Farm's specialty meats, but also a variety of smaller companies, including motels, furniture manufacturers and apparel marketers.

Following an earnings slump in the mid-1970s, the company embarked on a corporate strategy that called for emphasis on operations that were market leaders or strong contenders in their business areas. More than 60 business operations totaling annual sales of more than $500 million have been divested since 1975. Combined with several major acquisitions—including the purchase in January, 1978, of the Dutch Douwe Egberts coffee, tea and tobacco operations, and the purchase in January, 1979, of the Hanes hosiery, women's undergarments and men's and boys' underwear business—the transactions have transformed the basic character of the company.

Consolidated Food's acquisitions have continued—in recent months the company has purchased the C&C Cola soft drink business and the Sav-A-Stop distribution operations—but since the Hanes acquisition, most of the emphasis has been on cultivation of internal growth opportunities rather than growth by acquisition.

The company's L'eggs operations (a part of the Hanes group) illustrates Consolidated Foods' plans for internal growth. The L'eggs line, one of the marketing success stories of the 1970s, was introduced by Hanes in 1970 in an effort to meet the hosiery needs of the increasing number of working women. The basic idea was simple: That working women had a need for mid-price hosiery, but the demands of work left them with little time to shop for such an item. Rather than distribute L'eggs through the department stores and specialty shops that traditionally carried hosiery, Hanes decided to sell the new product through drugstore chains and supermarkets so that time-strapped working women could purchase L'eggs on quick shopping trips during their lunch hours or at the same time that they bought their groceries. L'eggs were packaged in a distinctive styrene egg-shaped container, and an extensive store-door distribution network was established to deliver the line to supermarkets and drugstores on consignment.

Backed with heavy advertising support ($20.5 million in measured media in 1981, up from $19 million in 1980), L'eggs has come to command more than 20% of the highly fragmented hosiery market, and is the category's best-selling brand.

In the last two years, L'eggs has implemented a market segmentation strategy that has enabled its sales to grow much faster than the over-all hosiery market. This has included the introduction of such brands as L'eggs Sheer Energy (focusing on the benefits of all-day massage); Undie-L'eggs (addressing the problem of undesirable panty lines), and the recently introduced L'eggs Sheer Elegance (providing "elegant, silk-like pantyhose" to the mass markets).

Despite the outstanding performance of L'eggs, Consolidated Foods has been much less successful in its efforts to use the brand's powerful distribution system to deliver other kinds of products to the same working woman market. Starbooks, a line of children's books to be sold in grocery markets, was discontinued last year following disappointing results in test market, and Consolidated Foods' attempt to market a line of cosmetics under the L'erin label continues to have problems. Just as with L'eggs, L'erin's distribution through drug chains and supermarkets is intended to make it easy for working women to purchase the cosmetics.

In terms of pricing, the brand has positioned itself as presenting a better fashion statement for a few pennies more than budget brands and an equally elegant package and fashion statement as prestige brands, but for a few pennies less. The brand completed its expansion to national distribution last summer, and has shifted its ad emphasis from spot to network tv.

One of L'erin's first problems resulted from women's reluctance to buy makeup without trying it first, and the consequent difficulty that the brand encountered in getting consumer trials.

As a result, L'erin cut its media budget to $6.9 million in 1981 (from $8 million in 1980) and sharply increased its promotional efforts, including trial sizes, combination packs, and special-price offers. The step-up in promotional programs included the use of 20 in-store promotions a year, with every major product category promoted every quarter.

The brand also has had difficulty getting display space at drugstores and mass merchandise outlets, and, in response, the displays have been redesigned to be more space efficient. New trade efforts have stressed that the brand has space efficiency margins that are "49% more than Maybelline, 88% more than Cover Girl, 141% more than Natural Wonder and 76% more than Maxi." Some observers feel the purchase of Sav-A-Stop with its strength in distribution beauty and health aids was spurred by the desire to help solve L'erin's problems.

L'erin also has expanded the number of shades of mascara, eye shadow, and lipstick it offers, and this fall will be adding a new Color Glaze nail polish that offers an "acrylic, water-resistant" formula that "wears strong, shines long."

Despite all the efforts, L'erin losses are believed to have totaled close to $10 million to $15 million in 1980 and 1981 , about twice the losses Consolidated expected would be incurred in launching the new line. Though company officials maintain that L'erin has the potential of reaching $75 million in sales by 1985, current industry estimates put the line's manufacturer volume at a disappointing $25 million clip. Many industry observers feel that fiscal 1983 will be a critical year for L'erin, and that if the brand does not turn around soon, it will be a likely candidate for divestiture.

In addition to selling L'eggs via supermarkets and drugstores, Consolidated Foods' hosiery and undergarments operations also include the very successful Hanes brand and Bali undergarments, both of which are mainly sold in department and specialty stores. The Hanes women's hosiery brand was introduced shortly after World War II as high-quality women's hosiery, and for the last eight years has used its "Gentlemen prefer Hanes" theme to support its premium image. Bolstered by extensive national advertising ($11.1 million in measured media in 1981, up from $8.6 million in 1980), Hanes dominates the department and specialty store segment of the hosiery market, accounting for an estimated 29% of the unit sales and 42% of the dollar volume.

Just as with L'eggs, Hanes has sought to grow through market segmentation. Last September Hanes added Hanes Too!, a mid-price pantyhose that, according to Hanes officials, is aimed at younger women who are aware of the Hanes reputation for quality and "who would love to buy the brand, but cannot reconcile themselves to the premium price."

Among other products introduced in recent years are: Underalls, a mid-price all-in-one panty with hose guaranteed not to leave "unsightly panty lines" (measured media in 1981: $3.7 million); Slenderalls pantyhose that promise a firm fit (measured media: $1.7 million), and Winteralls, an opaque pantyhose for cold weather wear (measured media: $375,000). Today's Girl pantyhose, Hanes' low-price entry, is aimed at working women, and concentrated its $1.5 million in 1981 measured media spending in spot and network tv. The tv spots use the tag line "Today's Girl. Buy it for the quality, choose it for the price."

Consolidated Foods' Bali undergarment line also has shifted its marketing thrust in the last couple of years in an effort to increase its 14% share of the underwire bra market and 2% share of the soft cup market. The company reports dramatic increases in unit volume as a result of a new Bali Boutique packaging display system that was designed to make Bali bras more accessible to customers at department stores and to make it easier to find the right style or proper fit without the help of a salesperson.

The program has been rolled out to more than two-thirds of the U.S. with national distribution expected by mid-1982, and measured media support for Bali increased to $2.5 million in 1981 (compared with $1.3 million in 1980 and $600,000 in 1979). The emphasis was on television advertising, including commercials that stressed "Bali fits your shape, not just your size." Because the new display system did not have national distribution in 1981, Bali's ad buys last year were on spot rather than network tv.

The Shasta operations—which account for about 2% of the regular soft drink market and 8% of the diet market—began a new advertising and marketing strategy that has been in development for the last couple of years. The brand, which had lost market share in the late 1970s, has shifted its advertising away from head-on clashes with Pepsi and Coke, instead emphasizing the variety of flavors (18 regular and 17 diet) that it offers. The principal medium is spot tv, which received $6 million in 1981, and the new ads carry an "I wanna pop" theme and stress the thrill and excitement that Shasta drinkers want from the brand's many flavors. Company officials have indicated that Shasta's advertising budget for the fiscal year beginning July, 1982, will increase 86% to $14 million (up from $7.5 million).

Other Shasta changes include: New package designs featuring a diagonal S logo, bright colors, and abstract forms; two new flavors—Citrus Mist and Red Berry—that were announced this spring, and a new Dr Pepper-like soft drink, Dr. Diablo, that has been in test markets. Shasta also is expected to benefit from the acquisition earlier this year of C&C Cola, a regional soft drink company with annual sales of about $100 million. Industry observers say that C&C's strength in the cola segment and in the Northeast will bolster Shasta's weaknesses in both areas. C&C also has a New Jersey production facility that can produce certain large-size bottles.

Capri Sun brand also has been the center of a great deal of activity. The fruit juice drink, which is sold in a unique flexible foil package, was developed in Germany where it holds a 44% share of the juice drink market. Capri Sun has become the leading brand in every country in which it has entered, and company officials say that in the U.S. markets in which it currently is distributed (28 states mainly concentrated in the East, Midwest, Southeast and parts of the Southwest), Capri Sun's various flavors have combined for a 33% market share. Company officials predict that Capri Sun will reach $60 million to $100 million in annual sales by the mid-1980s.

Consolidated's troubled frozen food operations continue to be the subject of turnaround efforts, with Sara Lee operations having been battered by an almost 20% industrywide drop in sales of frozen baked sweets. Industry analysts cite the recession and reduced consumption of sweets by weight-conscious consumers as contributing factors, as well as increased competition from fresh-baked goods marketed by Warner-Lambert's Entenmann's unit.

Sara Lee now controls 45% of the declining frozen baked goods market (up from 40% a couple of years ago), and had cut its measured media advertising to $850,000 in 1981 (from $900,000 in 1980 and $3.4 million in 1979), and put more muscle behind heavier trade promotion.

More recently, however, there have been indications that Sara Lee will be putting more effort into consumer advertising and promotion. The company changed agencies, and Robert Elberson, Consolidated's exec vice-president and the mastermind behind the very successful Hanes operation, took over direct control of the frozen foods group and Sara Lee. New print ads that began appearing in January attempt to provoke consumers with the question "What is your Sara Lee fantasy?" and tv spots have hit out at Entenmann's with testimonials showing consumers tasting both a Sara Lee cake and a "boxed" cake packaged in a white box with blue letters, similar to Entenmann's packaging. Sara Lee introduced a line of Puddin' in the Middle cakes this spring, and other new products are expected later this year.

Sara Lee also began test marketing a line of fresh-baked goods in Chattanooga and Nashville last fall. The company already is a supplier of "thaw-and-

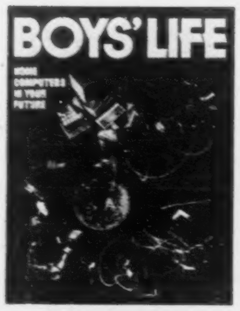
PHENOMENAL

"Response from Boys' Life has been phenomenal."
V.P. Marketing,
Pony Sports & Leisure
Athletic Shoes

"We get results with Boys' Life. We're right on target with first rate editorial environment and quality audience."
President,
Schwinn Bicycle Co.

"Boys' Life pulled outstandingly on premiums with proof of purchase for Aim toothpaste. Advertising in Boys' Life makes good sense."
Promotion Development Mgr.
Lever Bros. Co.

"Our year-round ad campaign in Boys' Life reaches prime customers and new customers. Sales figures show it's a success."
President, TSR Hobbies
"Dungeons & Dragons"



Selling to young males? There's no better place than Boys' Life. With an audience of 5,000,000 boys age 10-17, 1.8 million parents and 600,000 girls, your sales message reaches 7,450,000 customers. ■ And they buy. For instance: a new Erdos & Morgan study shows 50% of Boys' Life subscribers play electronic/TV games... almost twice the national figure for teenage boys. 24% bought one in the past year... two-and-a-half times the U.S. number for teenage boys.

BOYS' LIFE
THE MAGAZINE FOR ALL BOYS
Published by the
Boy Scouts of America

eat" goods to supermarkets that heat and sell the items under private labels as fresh-baked. The thaw-and-eat division is Sara Lee's fastest-growing operation, and the products currently are being distributed in about 20% of the country.

Though profit margins at Consolidated Foods' specialty meats operations began to feel the pinch of escalating hog prices this spring, the division continues to enjoy growth through regional expansion, new product introductions, and selective acquisitions. Measured media ad support for most brands continued to rise in 1981: Hillshire Farm $6.2 million ($5.4 million in 1980); Kahn's $3.2 million ($3.3 million in 1980); Bryan Foods $921,500 ($515,000); Rudy's Farm $549,600 ($498,200), and Gallo Salame $163,800 ($126,700). Among the product expansions was the introduction of Rudy's Farm frozen country sausage and biscuits and ham and biscuits into Los Angeles, Dallas and Houston. There also has been talk of rolling national with Gallo Salame, a $30 million San Francisco-based brand acquired in 1979 and popular on the West Coast. National share of market of the combined brands totals roughly 5%, but regional shares are much higher.

Consolidated's Lawsons convenience food store chain continues to suffer as the depressed economy has had an especially devastating impact on the chain's main markets in Michigan and Ohio. Despite cost-cutting efforts and an increase in measured media ad support in 1981 ($427,100 as compared with $216,700 in 1980—all in spot tv), the 700-store chain has been losing money this year.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$2,902,500	$1,742,500
Magazines	11,175,000	12,601,000
Spot tv	20,945,800	21,802,300
Network tv	50,100,000	43,293,300
Spot radio	1,835,900	1,780,400
Network radio	189,700	1,085,500
Outdoor	71,000	386,000
Total measured	87,219,900	67,141,400
Unmeasured	79,179,800	66,650,000
Estimated total	166,399,700	149,221,000

ADVERTISING EXPENDITURES*

	1981	1980
Newspapers	$7,912,000	$5,627,000
Magazines	10,969,000	12,286,000
Spot tv	27,255,000	20,973,000
Network tv	50,916,000	43,259,000
Spot radio	3,163,000	2,689,000
Network radio	836,000	829,000
Outdoor	883,000	466,000
Total measured	101,954,000	86,051,000
Unmeasured	87,868,000	66,999,000
Total	189,822,000	153,050,000

*Fiscal year, provided by company

MARKETING PERSONNEL

Charles Ostrander, director-mktg, Aris-Isotoner gloves
Steve Marcus, vp-mktg, Bali Co.
Robert L. Weisman, vp-retail sales & mktg, Booth Fisheries
Donald E. Brunson, vp-mktg, Bryan Foods
Jack Thomas, vp-sales, Chef Pierre Inc.
Joseph J. Gannon Jr, vp-public affairs, Electrolux
Ron Dix, vp-mktg & sales, Gallo Salame
R.E. Simms, vp-mktg, Hanes knitwear
David Bryant, vp-mktg, Hanes knitwear
Keith L. Alm, president, Hanes printables
Walter K. Pabst, vp-mktg & sales, Hillshire Farm
James H. Stokes, vp-sales & mktg Idaho frozen foods
Bruce Geschieder, vp-mktg, Kahn's & Co.
Walt Pilcher, vp-mktg L'eggs prods
Janet M. Wilson, director-mktg, L'erin cosmetics
Robert H. Fraser, vp-mktg, Lyon's Restaurants
Clark M. Brink, vp-mktg & sales, Popsicle Industries
Greg Moore, director-mktg, Rudy's Farm Co.
Richard Sharoff, vp-retail marketing, Sara Lee
Al Piergallini, senior vp-mktg, Shasta
Arnold Seckler, president, Sirena

ADVERTISING AGENCIES

Dancer Fitzgerald Sample, New York—Bali—Nancy Fink, acct exec.

BBDO, Chicago—Booth Fisheries—Jan Barton, acct super.

Maris, West & Baker, Jackson, Miss.—Bryan Foods (refrigerated meats)—Gerritt Maris, president; Sally Blackerby, media buyer.

Henderson Advertising, Greenville, S.C.—Bryan Foods (new prods, canned meats)—Lloyd Fritzmeier, acct super.

Creamer Inc., Pittsburgh—Chef Pierre Inc—Howard Gittins, acct exec.

Ted Bates Advertising, New York—Electrolux—Laura Donnelly, acct exec.

Ketchum Advertising, San Francisco—Lyon's Restaurants—Gail Gorton, acct exec.

Dancer Fitzgerald Sample, New York—Hanes brand L'eggs prods, L'erin cosmetics, Popsicle Industries—Barbara Gide, acct super-Hanes; Bob Egan, mgmt super-L'Erin; Ed Boyer, mgmt super-Popsicle Industries.

Specht, Gilbert & Partners, New York—Underalls, Slenderalls, Winteralls—Ivy Woolf, acct super.

Ketchum, New York—Today's Girl—David Pengilly, acct super.

Long, Haymes & Carr, Winston-Salem, N.C.—Hanes knitwear—Loren Chamberlain, acct super.

Leber Katz Partners, New York—Hanes and printables—Howard Meditz, acct super.

Cooper-Jenner, Stafford & Associates Waterloo, Ia.—Hillshire Farm—Jim Stafford, acct super.

Burch, Myers & Cuttie, Chicago—Idaho Frozen Foods (retail couponing ads)—Don Cuttie, acct super.

Venet Advertising, New York—Hillshire Farms—Dick Byrne, mgmt super; Lawrence James, acct super; Debbie Kenis, acct exec.

Sive & Associates, Cincinnati—Kahn's & Co.—Rodger Neiser, vp-merch adv; Phil Mandel, acct super; Leslie Scoler, acct exec; Linda Jackson, admin asst.

Godding Advertising, Buffalo, N.Y.—Kahn's & Co.—Randy Godding, president.

Northlich, Stolley, Cincinnati—Gallo Salame—Chris Hayes, acct mgr.

Bill Hudson & Associates, Nashville—Rudy's Farm Co.—Mick Damico, acct exec.

Foote, Cone & Belding, Chicago—Sara Lee (retail)—Scottie Perry, acct exec.

Mandabach & Simms, Chicago—Sara Lee (foodservice)—Lee Lippman, acct super; Jim Flurry, acct exec.

Needham, Harper & Steers, Chicago—Shasta—Ron Bess, mgmt rep; Tom Hayden, acct super; Mary Conrad, acct exec; Norval Stephens, mgmt rep-Capri Sun; Madeline Grill, acct super-Capri Sun; Steve Blamer, acct exec-Capri Sun.

Lynn Medberry Associates, Los Angeles—Sirena—Lynn Medberry, president, Kit Manetti, asst to president.

Shore, Young, Tomi, Walnut Creek, Cal.—Idaho Frozen Foods (foodservice)—Stephen Young, acct super.

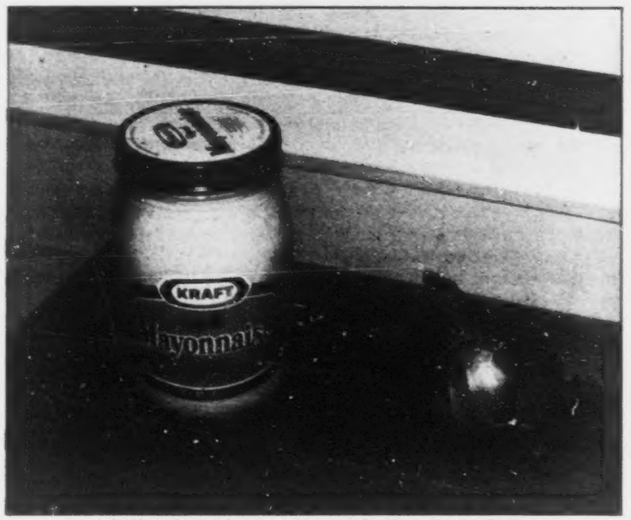
Dart & Kraft

	1981	1980
Sales*	$10,211,000,000	$9,411,000,000
Earnings*	348,000,000	383,000,000
Advertising**	177,042,100	149,734,700

*1980 Dart & Kraft sales and earnings only
**AA Estimate for Dart & Kraft; 1980 figure excludes Hobart

Dart & Kraft, the nation's 30th largest national advertiser in 1981, spent an estimated $177 million in advertising during the year, up 18% from the combined 1980 estimated total for Dart Industries and Kraft Inc. of $149.7 million. Hobart Corp., acquired during 1981, spent $3.9 million in advertising during 1980.

Dart & Kraft, including Hobart, had net income of $348 million, down from $383 million in 1980, on sales of $10.2 billion, compared with $9.4 billion in 1980.



A Kraft mainstay is ready for the salad.

The year was marked by strenuous new product development activity in the Kraft retail food group, resulting most recently in a spurt of new Philadelphia brand products and salad-related items.

With 1981 representing the first complete calendar year since Dart and Kraft merged in the fall of 1980, advertising expenditures reflected, as one Kraft official put it, that Kraft was forced to "fight harder for advertising dollars than we used to." But the new products effort running rampant in the retail food group made for heavy advertising expenditures that should continue through the next fiscal year.

Increases in Kraft's retail food group ad budget went primarily to new products and specially targeted existing brands. Included were Kraft salad dressings, whose measured ad spending for 1981 jumped 50% to $9.6 million, including heavy introductory advertising for the three-item line of buttermilk dressings. During the year, Kraft also introduced two oil-free dressings and spent about $740,000 in advertising for low-calorie dressings.

Kraft maintained its No. 1 position in bottled dressings, and increased its tonnage for the year about 10%, according to Lou Levine, an associate at Technomic Consultants, Chicago. The company introduced bacon and tomato-flavored dressing this summer.

Concurrently, Kraft surprised observers by entering Tucson and Phoenix test markets with Sun Seasons hydroponically grown vegetables, a line of three types of lettuce, European cucumbers and cherry tomatoes. A natural fit with Kraft's salad dressings, whose volume growth, according to one company source, is dependent on the availability of vegetables year-round, the produce is being marketed under the Kraft label, with advertising that stresses freshness. The company also put into Houston test an 11-item line of salad toppings, under the Kraft Salad Bar label. The toppings include individual cans of seasonings, croutons, natural cheese shreds, french fried onions, crumbled bacon and a nut and sesame mix.

In November, Kraft startled industry observers with the announcement that it intended to market a line of California table and varietal wines designed to compete with major mass-market wines. The company formed the Mont Rouge subsidiary and units in three undisclosed states to market the wines, but in July said it had scrapped plans to market wine because analysis of the wine industry and Kraft's potential indicated "other avenues of new product development are more advantageous for it to pursue at this time." Kraft will try to sell off the subsidiaries, along with "marketing concepts" for the wines.

The nation's No. 1 cheese marketer heavily increased ad spending on three cheese lines: Grated cheese, (up from $628,000 in 1980 to $1.8 million last year), Cracker Barrel cheese, (up from $2.3 million to $3.1 million) and Golden Image cheese substitute, whose ad budget leaped from $899,000 in 1980 to $2.7 million, reflecting the national rollout last spring. Measured spending for Light n' Lively cheese dropped 38% to $1.4 million, but will be higher for 1982 as a result of a current campaign stressing Light n' Lively as a natural cheese with "half the fat but all dairy."

Kraft decreased measured spending on Velveeta process cheese spread 14% last year, to $4.9 million, but the budget is expected to rise significantly this year with the national rollout of Velveeta slices. The new product is getting a strong multimedia campaign, under the theme: "The taste you wouldn't trade for anything."

The rollout of Golden Image cheese substitute to all states in which there are no restrictions against such products resulted in a $2.7 million advertising campaign under the theme, "You have to taste it to believe it."

As the Philadelphia brand cream cheese line last year was extended with new Soft Philly, which rolled national, Kraft boosted spending on the brand 64% to $7.8 million during '81, much of which went toward the new product. (Recent advertising for the regular cream cheese asks, "Isn't it silly not to use Philly?")

But promotion of the brand name is certain to have residual effects in current tests of several new Philadelphia brand items. This spring, Philadelphia dressings with cream cheese, the first nonspreadable item to be marketed under that name, went into test in several markets including Erie, Oklahoma City and Phoenix, backed by a heavy tv, magazine and newspaper campaign, themed "Get into the thick of it."

In July, Kraft began testing a five-item line of flavored Soft Philadelphia cream cheese with bits of real fruit or vegetables. Advertising is running in couponed newspaper and insert ads in markets including Dallas and Oklahoma City.

Kraft was scheduled to begin test marketing in August for Light Philadelphia cream cheese with half the fat and a third the calories. The product, packaged in tubs, will test in Baltimore and other markets. The company has remained silent about additional Philadelphia products now in development, but one is rumored to be cream cheese-based flavored dessert frostings.

Kraft, already controlling more than 50% of the package dinners category, increased ad spending for macaroni and cheese dinners last year, with a 40.8% increase in spending to $6.2 million.

A new campaign for Kraft mayonnaise took direct aim at its prime competitor in an attempt to unseat CPC's Hellmann's from its category leadership.

Kraft hiked 1981 ad spending for the product 27% to $6 million in a continuing campaign that depicts long-time Hellman's users discovering the superiority of Kraft's mayonnaise, and telling their friends and relatives about it.

In other new product activity from the retail food group, Coffee Velvet, a flavored coffee additive combining nondairy creamer with variations of mocha flavoring, entered Tucson, Washington state and other test markets late last fall. The product, originally assigned to McCann-Erickson, Chicago, was moved to N W Ayer in December, eliminating McCann from Kraft's agency roster.

La Creme half-dairy whipped topping, tested since spring, 1981, in 7% of the country, began national introduction early this year. It has proven to be a significant force in the category, garnering an estimated 17% of the market. General Foods, whose Cool Whip remains category leader, nonetheless has shown its concern over the Kraft entry by introducing three new whipped toppings in the past year. Kraft spent $2.8 million on La Creme advertising during 1981; that figure should increase this year as rollout is completed.

Other new products from the retail group included Oven Melts meat-filled cheese slices, whose market area was expanded during the past year, and which received about $700,000 in advertising; Light n' Lively reduced calories mayonnaise, which was introduced in spring, 1981, with an ad budget of $2.7 million, and Parkay Light Spread, with 25% fewer calories and fat than margarine, now testing in Marion, Ind., and possibly other markets. An obvious decrease in support showed up across most of the rest of Kraft's line and in the food company's regionally marketed dairy brands, including the Breyers and Breakstone lines.

Kraft moved its Light n' Lively dairy products account, along with several undisclosed new products, valued at a total $6.5 million, to Geers Gross, New York, from N W Ayer, New York, in January. Ayer retained the Sealtest and Breyers accounts and will continue to handle new products, Kraft said.

On the Dart side, only Duracell batteries' advertising budget seems to have weathered the merger intact. Because of its substantial return on investment, Duracell received a 14% increase in ad spending during 1981, to more than $16 million, and corporate officials promised continued support through the next year for Duracell research and advertising. Total West Bend unit spending fell 44% to a total $1.3 million, despite a $500,000 campaign for new Discovery cookware.

The company reported a decline in West Bend sales due to "economic conditions which softened consumer demand." The company formed a new subsidiary, Anova Electronics, during the year to market a home environment system comprised of three individual units: A telephone center, control center and protection center. The San Mateo-based company, an outgrowth of West Bend, selected Bozell & Jacobs, Palo Alto, for the account; consumer advertising is set to begin in 1983. Tupperware ad spending rose only slightly to $2.3 million.

Hobart's consumer group, under the KitchenAid name, saw an 8.8% ad budget decrease, led by a 27% decline, to $2.2 million, in spending for the KitchenAid dishwasher line. Hobart sales fell from last year as a result of decreased consumer demand for KitchenAid appliances and overseas volume. This summer, KitchenAid introduced its new food processor, manufactured by Robot-Coupe International to the company's specifications. Advertising for the new appliance will stress the "superior performance" of KitchenAid products, in color, page ads running in November and December women's, shelter and gourmet books and specialty magazines.

Focusing on those operations that retain assets and earnings in branded foods and other consumer products areas that offer stability, cash generation and growth potential, the company sold off its Canadian Dominion Dairies operation and Thatcher Glass Mfg. Co., and has virtually eliminated its fluid milk business.

Management changes during the year included adding operational responsibilities for domestic manufacturing and distribution to the post of H. Keith Ridgway, continuing as president of the retail food group. Mr. Ridgway took over from O. Everett Swain, executive vp of the corporation and chairman of the retail food group, who is retiring. In July, 1982 W. Brad Whitaker was named senior executive vice president of marketing and sales for the retail group. The title of chairman was eliminated.

H.J. Handley was named executive vp-marketing, a new position in the retail food group, from senior vp-research, marketing and development. Herbert Kohlhaas, formerly senior executive vp-U.S. operations for the corporation, succeeded Mr. Handley. William L. Jackson, formerly president of Duracell North America, was named president of Duracell Inc., upon the death of Peter Viele last February. C. Robert Kidder was named president of Duracell USA, a new title. Bill Davis, formerly president of West Bend Co., was made president of Hobart Corp. and Richard Mueller, formerly executive vp-marketing for West Bend, was named president of West Bend.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$9,788,100	$6,683,900
Magazines	31,175,900	27,538,200
Spot tv	44,106,300	33,188,900
Network tv	53,344,700	48,200,300
Spot radio	6,200,100	5,495,700
Network radio	684,500	1,045,000
Outdoor	67,100	689,500
Total measured	145,366,700	122,841,500
Unmeasured	31,675,400	26,893,200
Estimated total	177,042,100	149,734,700

KRAFT INC.

CORPORATE MARKETING DEVELOPMENT PERSONNEL

H. Kohlhaas, senior vp-rsch, mktg & devel
R.A. Hielscher, vp-corp mktg devel
C.C. Grinnell, director-new prod devel
M.J. Barry, mktg mgr-prod devel
P. Maloney, mgr-rsch
J.V. Pace, mktg mgr-CEA
J.R. Babka, mktg mgr-frozen prods

RETAIL FOOD GROUP

MARKETING PERSONNEL

H.K. Ridgway, group vp & president, Retail Food Group
W. Brad Whitaker, senior exec vp, mktg and sales
H.J. Handley, exec vp-mktg
J.R. Blocki, vp & director-adv & creative services
N.E. Toft, vp & director-mktg svcs
R.J. Clark, vp & director-mktg info
J.P. Durrett, vp & director-grocery prods
S.R. Gardner, vp-director-refrig products
D.W. Holland, vp & director-consumer affairs
R.J. Miller, vp-mktg, grocery prods
J. Wilson, vp-mktg, grocery prods
N.E. Ross, vp-mktg, refrig prods
S.R. Gardner, vp-director, refrig prods

ADVERTISING AGENCIES

N W Ayer, Chicago—A la Carte, Coffee Velvet, La Creme—J. Titus, acct super.

Foote, Cone & Belding, Chicago—confections, marshmallows, marshmallow creme, sauces and toppings, packaged dinners, corporate home economics, teen and multiproduct advertising, children's network tv—D. Belzer, senior vp.

Needham, Harper & Steers, Chicago—Margarines, jellies and preserves, mustard—J.W. Copher, senior vp & mgt rep

Proctor & Gardner, Chicago—Multiproduct advertising—Rolfe Kolconay, vp & acct super.

J. Walter Thompson USA, Chicago—Cheese, salad dressings, institutional advertising—R.L. McCullough, senior vp.

DAIRY GROUP

MARKETING PERSONNEL

Jack L. Barfoot, group vp and president, dairy group
R.F. Zogby, vp-director, sales & mktg
R. Creighton, vp-mktg
V. Sidebotham, mktg mgr, cultured prods
R. Danziger, mgr-mkt research
R. McClintock, vp, sales & sales operations
S. Kroll, mgr-sales promos
J. Malcolm, mgr, sales & adv services
M. Seifert, mktg mgr, product devel

ADVERTISING AGENCIES

N W Ayer Inc., New York—Sealtest, Breyers—Bill Marx, senior vp-mgt super.

Geers Gross, New York—Breakstone

THEIRS VS. HOURS

COU
FEDERAL EXPRESS
AA
PRIORITY
PARCEL SERVICE

If you think their small parcel service is fast, we think you should know about ours. American's Priority Parcel Service can get your small package virtually anywhere we serve in the continental U.S., Hawaii, Canada, Mexico and the Caribbean in a matter of hours, 24 hours a day. In most cases, that's hours faster than the overnight delivery services.

So if you're tired of waiting overnight, American's in-hours alternative is as easy as dialing toll-free (800) 368-2042. Just ask for Priority Parcel Service and we'll provide door-to-door pickup and delivery anytime, day or night, seven days a week.

When a few hours can make all the difference, don't wait overnight. Call us immediately, and we'll have your package on the next flight.

AmericanAirlines
Priority Parcel Service

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prods, Light n' Lively dairy prods—Mike Kennedy, senior vp

WEST BEND CO.

MARKETING PERSONNEL

R.A. Mier, senior vp-mktg, West Bend
G.H. Miller, div mktg dirrctor, West Bend
P.F. Taccini, div mktg director, West Bend
D.P. Bierworth, vp-rsch and prod devel, West Bend
K. Virnoche, director-mktg, Anova

HOBART CORP.

MARKETING PERSONNEL

Charles R. Evans, senior vp-mktg, KitchenAid
Walter Layton, adv mgr, KitchenAid
Jerry Ballard, sales promo mgr, KitchenAid

DURACELL INC.

MARKETING PERSONNEL

William S. Saint, vp-mktg & devel, Duracell USA
Kevin J. Kelley, group prod mgr, Duracell USA
Mark E. Lucas, prod mgr-US brands, Duracell USA
Leonard Black, mkt & planning mgr, Duracell Intl

TUPPERWARE HOME PARTIES

MARKETING PERSONNEL

Jack Linn, vp-adv & pr, Tupperware
William K. Clark, adv mgr, Tupperware
Jerry Lake, vp-sales promo, Tupperware
Mayee Laung, director-sales promo, Tupperware

ADVERTISING AGENCIES

BBDO, New York—Tupperware Home Parties—Ralph Bryant, acct super.

Young & Rubicam, Chicago—West Bend appliances—Jayne Gretz, acct super; Tom Perlitz, mgmt super.

Bozell & Jacobs, Palo Alto—Anova Electronics—Joe Bogues, vp-mgmt super.

Griswold-Eshleman, Cleveland—KitchenAid prods—Neil Davis, acct super; Denny Pavan, vp-acct exec.

Dancer Fitzgerald Sample, New York—Duracell—Jean Plumez, exec vp-mgmt director.

Delta Air Lines

	1981	1980
Sales	$3,533,326,000	$2,950,000,000
Earnings	146,474,000	93,150,000
Advertising*	44,500,000	38,700,000

*AA estimate

Delta Air Lines, Atlanta, the 91st largest national advertiser, expects to record its 35th consecutive profitable year in 1982 despite suffering setbacks from the air fare war beginning the tail end of 1981 and bottoming out early this year.

Delta's advertising expenditures increased 15% in 1981 to an estimated $44.5 million from $38.7 million.

The most profitable airline in the world for many years, Delta recorded a net loss of $18.3 million for the quarter ended March 31, the air carrier's first net loss since the quarter ended December, 1957. The loss compares to a net income of $27.9 million for the same period in 1981.

Revenue passenger miles through May increased 0.4% to 10.36 billion. Available seat miles declined to 18.88 billion from 19.12 billion for the first five months of 1981.

Operating revenues for fiscal 1981 were $3.5 billion, compared with $2.95 billion in 1980, a 19% increase. Delta achieved record earnings of $146.5 million, a 17% increase over 1980's net income of $93.15 million.

Delta officials attribute this fiscal year's third quarter loss to the recession's negative impact on traffic and to the "uneconomic" discount fares and ticket giveaways initiated by competitors.

Within hours after Dallas-based Braniff International, in a desperation move, slashed its systemwide fares 45% last November, Delta criticized the move but followed suit along with American Airlines. Both were fearful of losing substantial traffic at the Dallas/Fort Worth Airport, American's home base and Delta's secondary hub behind Atlanta's Hartsfield Airport.

At the height of the red ink-soaked fare war Delta began an advertising campaign with the message that it would not be undersold in its markets. "Now there's no need to settle for less! Delta will not be undersold," touted newspaper ads. The airline altered its standard "Delta is ready when you are" theme to "Unbeatable Delta is ready when you are."

Eastern Air Lines immediately countered with "Nobody Undercuts Us," and American Airlines joined with "No one beats American's fares."

In March, the Dallas Better Business Bureau sent bulletins to its members questioning the advertising practice used by the three airlines, claiming the tactics were misleading to the public. The Civil Aeronautics Board Office of Congressional, Consumer and Community Affairs also informally notified the carriers of its concerns about the ads. The underselling campaigns in Dallas ultimately died off.

The East Coast earlier this year was the scene of another fare war. Faced with lower than usual winter traffic to Florida, Air Florida between Thanksgiving and Christmas waged a discount campaign to boost business. To counter this, on Christmas Eve Delta announced a plan that cut fares between 23 eastern and Midwest cities and nine Florida cities by 51%. The package included rental of a subcompact car and hotel accommodations for five days and various discount coupons for per person rates ranging between $88 and $179 dollars for the period. That move touched off a flurry of price matching and cutting by major Delta competitors including Eastern, Pan Am, TWA and Air Florida.

While the operating efficiency of the nation's air traffic system has increased somewhat since the walkout of 13,000 air traffic controllers last August, Federal Aviation Administration-imposed restrictions have hampered the expansion plans of most carriers.

Delta began service to Lubbock and Amarillo through June, only because the carrier was allocated the slots left vacant when Braniff entered bankruptcy. Service was also begun in Pittsburgh. Delta continued expanding its operations out of Cincinnati, increasing the number of daily flights to 68 from 28 in April, 1981.

Last year's financial turbulence was not strong enough to deter Delta from proceeding with its characteristically conservative plans for future growth. In 1980, Delta officials outlined a 15-year expansion plan to begin in 1987 that includes spending $5 billion to acquire about 100 new, fuel efficient airplanes that will seat 150 passengers and are designed for short to medium length flights.The $5 billion planned expenditure does not include the $4.5 billion Delta is now allocating for orders and options on Boeing 757s and 767s.

With the youngest operating fleet in the airline industry, Delta has almost completed a $2.5 billion program started in 1973 to modernize its fleet and make its DC8s and DC9s comply with federal noise limit standards that will become effective in 1985.

Delta has demonstrated a knack for resourceful planning and employe motivation that has created one of the most productive carriers in the commercial airline industry. Delta officials also contend that a tried-and-proven operating philosophy is why Delta always is "ready" to take advantage of cycles that occur in the airline business.

Delta's media mix varies slightly from year to year, with newspapers consuming about 54% of measured spending and 49% of total spending. Delta recorded one fluctuation in its media mix for 1981—a 25% increase in spot tv spending, according to Leading National Advertisers. Newspapers, however, will continue as the primary medium to "tell the man in the street who we are, where we go and how often."

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$21,653,100	$20,409,900
Magazines	1,231,500	809,100
Spot tv	5,098,800	4,597,500
Network tv	85,900	—
Spot radio	10,310,300	8,044,800
Outdoor	1,800,200	1,311,800
Total measured	39,954,700	35,172,800
Unmeasured	4,545,300	3,527,400
Estimated total	44,500,000	38,700,000

ADVERTISING EXPENDITURES*

	1981	1980
Newspapers	$21,300,000	$20,000,000
Magazines	3,100,000	2,400,000
Network tv	—	—
Spot tv	6,100,000	5,400,000
Spot radio	8,000,000	6,500,000
Outdoor (transit)	3,700,000	3,100,000
Total measured	42,200,000	37,200,000
Unmeasured	1,200,000	1,500,000
Total	43,400,000	38,700,000

*Provided by the company

MARKETING PERSONNEL

J.A. Cooper, senior vp-mktg
A. McKinnon, vp-mktg admin
W.W. Hawkins, asst vp-mktg
James Porter, mgr-adv & sales promo

ADVERTISING AGENCY

BDA/BBDO, Atlanta—Glenn Verril, president-mgmt super; Jack Walz, vp-acct super; Tom Brooks, adv & media rep.

E.I. du Pont de Nemours & Co.

	1981	1980
Sales	$22,810,000,000	$13,744,000,000
Earnings	1,107,000,000	716,000,000
Advertising*	105,000,000	93,300,000**

*AA estimate
**Restated

E.I. du Pont de Nemours & Co., Wilmington, Del., the 53rd largest national advertiser, boosted its advertising 13% to an estimated $105 million in 1981. Earnings rose 55% to $1.1 billion from $716 million in 1980, largely as a result of Du Pont's acquisition in August, 1981, of Conoco Inc., the ninth-largest oil company. Sales totaled $22.8 billion in 1981.

The largest chemical company in the U.S., Du Pont reported worldwide advertising expenditures of $128 million in 1981, up 6.6% from the 1980 worldwide total of $120 million.

To finance the $7.8 billion Conoco acquisition, Du Pont had to borrow heavily (nearly $4 billion), and while it works to pare down its new debt load, it will probably have to shelve other expansion plans, including purchase of a drug company. That will slow the company's drive to get further into higher-margin products—a direction management deemed critical to the company's health as recently as 1980.

The Conoco acquisition added three new segments to the Du Pont Co.: Petroleum Exploration & Production, Petroleum Refining, Marketing & Transportation, and Coal & Minerals. The two petroleum segments accounted for 42% of the company's 1981 sales, according to company figures computed as if Conoco had been a part of Du Pont for all of 1981 instead of its last five months. Combined petroleum sales were $6.77 billion. The Coal & Minerals segment, accounting for 5% of corporate sales, had $841 million in sales.

Du Pont's fiber sales totaled $4.85 billion, about 8% higher than 1980 and accounting for 15% of corporate sales. Despite a 3% reduction in the physical volume of its fiber production due to a softening in the apparel, home fabric and carpet markets, Du Pont kept its fiber sales climbing by raising average prices 12%.

Chemicals, plastics and specialty products had total sales of $10.32 billion in 1981, almost 13% higher than in 1980. Of the four company segments dealing in chemicals, plastics and specialty products—Polymer Products, Agricultural & Industrial Chemicals, Industrial & Consumer Products and Biomedical Products—only the Agricultural & Industrial Chemicals segment survived a leveling off of sales due to sluggish domestic demand and economic conditions.

Sales of agricultural and industrial chemicals jumped almost 25%, from $2.72 billion in 1980 to $3.39 billion in 1981. Total chemicals, plastics and specialty products sales accounted for 33% of corporate sales, down from 67% in 1980, before the Conoco merger.

Polymer products sales increased by 7% over 1980 to $3.21 billion. Industrial and consumer products sales—including electronics, printing and industrial photographic film, finishes, explosives, firearms and coatings—increased only 3.8% to $2.72 billion after leaping over 12% from 1979 to 1980. The Biomedical Products segment, producer and marketer of high-tech systems that aid in the diagnosis and treatment of disease, saw its sales skid in 1981, growing only 8.8% to $1 billion after soaring up 37% from 1979 to 1980.

In 1981, Du Pont held that its specialty products—electronics, finishes, explosives, agricultural chemicals, medical and printing—were the heart of its strategy for the 1980s. And even after the Conoco merger was completed, company chairman Edward G. Jefferson said Du Pont's commitment to expanding its efforts in the life sciences, electronics and other specialty areas would "remain unchanged."

Leaving those expansion plans unchanged, Du Pont planned for 1982 a 25% increase in research and development manpower and a 20% jump in spending for research to continue current studies while stepping up energy research.

"This merger isn't just backward integration" to supply raw materials for the many Du Pont products that depend on petrochemicals, Mr. Jefferson said. "We've made engineering and scientific contributions in every area as we've gone from gunpowder to chemicals to fibers to film to healthcare. I don't think energy will be any different."

Capital expenditures in 1981 jumped 80% to $2.45 billion from 1980's $1.36 billion. The increase was mainly due to $996 million in capital outlays by Conoco in the year's final five months.

Du Pont's international operations, which account for one-third of its business, are expected over the next five years to produce sales that will grow, in real terms, at twice the rate of industrialized world economies.

Of Du Pont's $50.5 million in total measured media spending, $6.6 million—all in network tv—was from Conoco. SilverStone cooking coating was a pacesetter among DuPont's product spenders, with $7.8 million in measured spending.

Leading National Advertisers reports Antron fibers in women's apparel received $3.4 million in measured media support, $3.2 million of it going to magazines. Spending for Lycra fibers in women's apparel totaled $3.3 million while Lucite home paint received $2.1 million.

Measured media spending as a whole generally was split between magazines and network tv.

In the future, Du Pont will stress the development of high-value specialized products in markets with strong growth potential. Du Pont in 1981 broke ground on an $85 million life sciences research complex near its Wilmington headquarters. The complex will have a staff of 700 scientists and support personnel. Additional biological science research facilities are being read-ied at Glasgow, Del., Glenolden, Pa., and Deepwater, N.J.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$826,600	$640,100
Magazines	25,190,400	21,701,600
Farm publications	3,105,000	2,352,400
Spot tv	2,183,400	2,378,400
Network tv	18,762,600	15,728,800
Spot radio	348,800	260,700
Network radio	64,700	22,400
Outdoor	5,900	20,000
Total measured	50,487,400	43,104,400
Unmeasured	54,512,600	50,195,600
Estimated total	105,000,000	93,300,000

MARKETING COMMUNICATIONS PERSONNEL

C.E. Crowley, director
A.W. Ballentine, division mgr
R.A. Hotchkiss, intl dept
J.C. Dilts, staff depts
S.P. Bliah, division mgr
T.E. Minnich, photo prod dept, clinical systems, analytical & biomedical
J.G. Heidelberg, photo prod dept, photosystems
C.H. Weber, photo prod dept, Berg Electronics and electronics specialties
J.B. Brett Jr., textile fibers dept, carpet

fibers and fiberfill
G.W. Hale, textile fibers dept, industrial fibers and spunbonded prod
R.E. Williams, division mgr
J.S. Swajeski, fabrics & finishes dept, applied technology, adhesives and coatings, fabrics, export, Corian prod
J.M. Murray II, fabrics & finishes dept, consumer paint & refinish
R.T. Eldridge, fabrics & finishes dept, cookware, Teflon Industrial, Teflon lubes, maintenance finishes, industrial/packaging finishes, material reclamation systems (MRS)
R.J. Alfano, corporate adv
E.J. Garrity, Remington Arms Co.
H.E. Davis, division mgr
E.J. O'Brien, polymer prod dept, elastomers
H.B. Horning, polymer prod dept, engineering plastics materials & flucropolymers
E. Shea, polymer prod dept, industrial films, flexible packaging
J.B. Boyer, polymer prod dept, plastic prod
J.H. McDivit, polymer prod dept, ethylene polymers, plastic prod and export
J. Mortenson, textile fibers dept, prod info
R.W. Nightengale Jr., division mgr
N. Kwick, biochemicals dept, agrichemicals mktg
J.P. Swan, chemicals & pigments dept
J.C. Maneval, petrochemicals dept
M.R. Tyler, MCD press office
S.A. Mack, personnel mgr
H.P. Root, division mgr, mktg rsch
J.R. Murphy, publications section
A.B. Baker, division mgr, media & mktg communications services
D.T. Smith, accounting
T.J. Niemkiewicz, production/graphics
P.J. Trainor, media/promo aids
W.D. Davis, audiovisual
F.G. Oswald, textile fibers dept, women's wear, hosiery, craft yarns, "Qiana"
E.R. Albright, textile fibers dept, menswear, children's wear, career apparel
H.A. Carnevale, textile fibers dept, sweaters
J.F. Booker, textile fibers dept, fiberfill
E.K. Bispham III, textile fibers dept, home and automotive fabrics

ADVERTISING AGENCIES

N W Ayer Inc., New York—fabrics and finishes (except auto prods), polymer and photo prods (except electronic prods), chemicals & pigments (except carpet protector), petrochemicals, staff depts and textile fibers' industrial and spunbonded prods—N. van Sant, mgmt coordinator.

BBDO, New York—auto prods, carpet protector, textile fibers' apparel, carpets, home furnishings & fiberfill prods and corporate ad programs—T. Clark, mgmt coordinator.

Rumrill-Hoyt, Rochester, N.Y.—agricultural chemicals and Remington Arms Co.—J.M. Valerio, mgmt coord.

Kelly Advertising, Lancaster, Pa.—Berg Electronics and electronic specialties—R.L. Kelly, mgmt coordinator.

Barnum Communications, New York—pharmaceutical prods—M. Amster, acct super.

Sudler & Hennessey, New York—pharmaceutical prods—L. Gamza, acct super.

Eastern Air Lines

	1981	1980
Sales	$3,727,093,000	$3,452,542,000
Earnings	(65,877,000)*	(17,358,000)*
Advertising**	54,100,000	54,100,000

*(Loss)
**AA estimate

Eastern Air Lines, Miami, the 87th largest national advertiser, held the line on its 1981 advertising budget, matching 1980's total of $54.1 million.

The airline reported its second annual net loss in a row, which rose to $65.9 million in 1981 from 1980's net loss of $17.4 million. Revenues in 1981 were $3.7 billion, up 9% from 1980's revenues of $3.4 billion.

While Eastern's 35.5 million revenue passengers carried in 1981 was the highest for the airline industry, it was below the trunk carrier's 1980 figure of 39 million. Eastern's board chairman, Frank Borman, cited a deepening recession, fare cuts on certain routes and the air controllers' strike as primary reasons for the company's and industry's woes throughout 1981.

In his address to shareholders, Mr. Borman said revenues for the first six months of 1981 climbed 14% above the year earlier period but the advance slowed to one-tenth of 1% by the fourth quarter, forcing the airline to take such measures as laying off 1,500 fulltime employes and 1,000 parttime and temporary employes.

In addition, he said, 500 employes took advantage of a leave-of-absence policy, which allowed them to take from one to six months of unpaid leave time.

A large part of the layoffs was blamed on the air controllers' strike in the second-half of 1981, which forced the FAA to set limits on operations, thereby straining available seat miles in the third and fourth quarters.

Another cost-cutting measure taken by the air carrier was to institute a variable earnings program in which employes donate 3.5% of their wages to the company unless Eastern meets certain profit goals. In 1981, the company kept the entire 3.5% or an estimated $37 million. At yearend, Eastern again went to its employes and asked for an extension of the variable earnings program in addition to a one-year wage freeze.

Both requests, from Mr. Borman, were accepted by Eastern's pilots. However, the company's union contract with the International Assn. of Machinists (IAM) expired in December, 1981, and by mid year 1982 a new contract was still being negotiated. A source close to the negotiations said the two requests were a part of the negotiating process.

Fuel costs, the bane of the airline industry since the Arab oil embargo in the early 1970s, continued to affect operating costs for Eastern, although not as severely as in 1980. Despite a decline in fuel consumption, Eastern's over-all fuel bill rose to $1.14 billion from 1980's $1.03 billion, reflecting an 18% rise in the average price for a gallon of jet fuel as opposed to a 51% rise for the year earlier.

In a further effort to control costs, Eastern also grounded indefinitely a number of its older, less efficient Boeing 727-100 aircraft and exercised an option on the purchase of nine additional twin-engine Airbus Industrie (a French aircraft maker) airliners, considered by Mr. Borman to be more fuel-efficient. Eastern bought the planes, with delivery through 1983, for a total of $335 million.

Fare cuts by carriers competing with Eastern on certain East Coast and transcontinental routes continued to affect revenues for the air carrier. Eastern matched the fare cuts of competitors. However, Eastern did turn up with two air fare programs—a couponing offer for passengers on its Eastern Seaboard shuttle flights and a dividend, of sorts, in the form of a fare discount for its shareholders.

In the program for its estimated 87,000 shareholders, Eastern offered vouchers good for 25 cents of travel for each common share owned as of Feb. 6, 1981.

The vouchers could be used to pay for up to half the regular price of a ticket on Eastern's route system, except for flights originating out of Canada. The company reported that nearly two-thirds of its shareholders took advantage of the program and the program continued in 1982.

In July, Eastern issued coupons to passengers on its Eastern Seaboard shuttle flights that entitled recipients to up to $50 discounts on the air carrier's coast-to-coast market.

Aside from the cost-cutting programs, there were two noteworthy events that occurred in late 1981 and early 1982. In November, Eastern shifted its $54 million account from its agency of nearly 20 years, Young & Rubicam, to Detroit-based Campbell-Ewald. The switch shook the advertising industry—not only because the account change was the largest by an advertiser in 1981 but also because of the circumstance surrounding the switch.

At the time of the switch, rumors were flying that the

We've captured Houston's
Call us. Our demands

Among daily newspaper homes with income over $35,000, 63% take The
Represented nationally by Sawyer Ferguson

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friendship between Eastern's Mr. Borman and C-E's chairman Thomas B. Adams figured largely in Eastern's decision to change agencies. Both men denied that their friendship was the sole reason for the switch, and that while it may have figured some in the decision there were larger considerations in the reason for the switch.

Not long after the changeover, C-E broke Eastern's new campaign in 1982, which focused more on Eastern employes and less on the air carrier's chairman. In addition, "America's favorite way to fly" became the tag line in Eastern's new campaign, reducing its former slogan ("We earn our wings every day"), like Eastern's chairman, to a cameo status. Interestingly, "We earn our wings" is uttered by the chairman.

For the first three months of 1982, operating revenues were $908.4 million, down from 1981's first-quarter revenues of $961.5 million. Net income loss for the three months ending March 31 in 1982 was $51.4 million and compares to earnings of $4.1 million for the same period in 1981.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$33,670,000	$30,160,700
Magazines	3,932,900	4,617,300
Spot tv	4,906,100	6,346,100
Network tv	1,742,100	1,963,400
Spot radio	6,967,800	5,342,100
Outdoor	2,403,700	1,910,700
Total measured	43,622,600	40,340,300
Unmeasured	10,477,400	13,759,800
Estimated total	54,100,000	54,100,000

MARKETING PERSONNEL

R. L. Ray Jr, senior vp-mktg
D. B. Kunstler, vp-sales & adv
W. H. Dowse, vp-adv
A. K. Istel, mgr-vacation adv
B. A. Noonan, mgr-intl adv
T. Ripps, mgr-consumer & adv rsch
B. F. Walsh, mgr-business adv
R. A. Wolf, mgr-adv services

ADVERTISING AGENCY

Campbell-Ewald, Detroit—Thomas B. Adams, Paul L. Johns, acct heads; Peter A. Dow, acct director; Joseph V. Karle Jr, mgmt super; Martin F. West, Craig A. Denton, Robert F. Henry, assoc mgmt supers; Robert L. Greer, acct super-sales promo; Tim Swies, George Lezcano, acct supers, adv; David W. Roddy, Jeffery Seregny, Hunter Philips, acct supers; Juan Carillo, Peter Towndes, acct execs.

Eastman Kodak Co.

	1981	1980
Sales	$10,337,500,000	$9,734,303,000
Earnings	1,239,000,000	1,153,579,000
Advertising*	101,000,000	83,887,700

*AA estimate

Eastman Kodak Co., Rochester, N.Y., the nation's 55th largest advertiser, increased its U.S. advertising by 20% to an estimated $101 million.

While Kodak's worldwide sales increased in 1981, the company did not enjoy the double-digit growth it had in 1980. Worldwide sales of $10.34 billion were up 6% from $9.73 billion in 1980, which had been an increase of 21% over 1979. Those worldwide sales included $8.26 billion, a 4% increase from the previous year, for the photographic division and $2.35 billion for Eastman Chemicals division, up 13% from 1980.

Within the U.S. alone, Kodak sales to unaffiliated customers in 1981 were $6.4 billion, up from $5.7 billion in 1980. Sales to unaffiliated customers in other areas in 1981 totaled $944 million in Canada and Latin America, $2.45 billion in Europe and $539 million in Asia, Africa and Australia.

For the first quarter of 1982, Kodak's worldwide sales dropped to $2.25 billion, a decrease of 3% over 1980's first-quarter reading of $2.31 billion. Worldwide net earnings dropped 27% during the same period, compared with a 29% rise from first-quarter 1979 to 1980. Earnings dropped to $181.3 million from $249.1 million. Company officials say they don't expect a turnaround until the fourth quarter of 1982, traditionally the company's strongest selling period.

Kodak's sales for the first half of this year were $4.68 billion, a decline of 1% from the $4.72 billion reported for the same period of 1981. Earnings for the same period declined 19% to $429.6 million from $533.6 million for the period a year earlier.

Commenting on the six-month results, Eastman chairman-chief executive Walter A. Fallon and Colby H. Chandler, president, said they were "restrained" by a variety of factors, including the sluggishness of the worldwide economy, pricing pressure in the chemicals industry resulting from overcapacity, unfavorable currency fluctuations and costs incurred in introducing new products.

Kodak also invested more money in research and development efforts in 1981. A total of $615 million was invested, up from $520 million in 1980, an increase of 18%. The greater portion of that money was spent on the development of several new amateur cameras, photofinishing equipment and a new Ektaprint copier.

The company seems well on its way to matching 1981 ad expenditures this year if the planned spending involved in the rollout of its disc cameras is any indication. Announced at a press conference last February, the cameras reached the retailers in May. Sources say Kodak will spend at least $30 million on the disc campaign, virtually eliminating advertising for its conventional lines. However, Kodak's new instant line is being supported substantially with advertising and promotion. Kodak's aim is to ensure that 95% of all adult consumers will have heard of the disc camera 18 times before the crucial week before Christmas. The bulk of the advertising dollars will go to tv in 90, 60, and 30-second prime-time commercials. John Powers, vp-director/marketing communications for Kodak, said the 90-second spot is new for the company and is necessary to show the various aspects of the disc. The longer spots combine vintage Kodak scenes with futuristic shots demonstrating individual parts.

Kodak showed prototypes of the camera to 1,000 outsiders to find which features buyers would consider most critical and should be advertised. Because the camera is taking center stage in these commercials, popular Kodak spokesman Michael Landon will be used to advertise color paper, rather than the equipment.

In addition to tv, the company is also using magazines such as *Time*, *Sports Illustrated* and *People* for print color spreads with, said Mr. Powers, fairly long copy. And to increase home saturation, Sunday supplements will be used.

The camera was christened after the 15-exposure film disc that Kodak hopes will replace conventional roll film. The film lists for $3.19 and the camera offers three choices; the 4000, list price $67.95, has a fixed focus ranging from 4 ft. to infinity; the 6000, list price $89.95; and the 8000, $142.95 list price, with a rapid sequence film advance and a built-in digital alarm. All three cameras automatically advance the film to the next frame, set the exposure, activate a built-in flash if necessary and recharge the flash in just over a second.

While analysts were impressed with this new offering, featuring other innovations such as wide-angle lens, they were fearful that the higher-than-expected prices may put it out of

most
ne fierceness of the battle.
affluent
readership!
were presented by the
n the river
are
reasonable!
her 7 percent.
Houston Chronicle
Houston's Family Newspaper
ouston Chronicle. So take our advice. Your've got a lot to lose.
Walker. Source: Scarborough Report, 1982.

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the range of most amateur photographers. If so, analysts claim, the disc will fail to do for Kodak, and the amateur photography industry as a whole, what it is hoped it will do—stimulate a sagging business.

However, Walter Fallon, Kodak's chairman, called the disc camera "the biggest innovation in amateur photography since the cartridge-loading Instamatic 19 years ago." The camera is expected to increase by 25% the number of good-to-excellent pictures amateurs get from pocket cameras, the company claims.

To get all these points across to consumers, in addition to advertising, Kodak is sinking large sums of money into promotional materials, discounts to retailers who order early and training programs for salespeople. First, retailers who ordered prior to April 30 received 5% off their order and all retailers are reimbursed for the advertising they do up to an amount determined by how many cameras they buy.

At the annual meeting last May, Kodak officials said orders were ahead of expectations for both the disc and the new line of instant cameras that were introduced in January. Colby H. Chandler, company president, said almost 1,100 independent photofinishing labs—350 in the U.S. and Canada—ordered the new equipment necessary to process the disc film.

Photofinishers say the minimum investment needed for equipment and attachments to existing printers is $20,000, about one-fifth the capital analysts now say goes into a typical minilab. Large photofinishers will indirectly benefit from the need for new equipment as they can afford the more expensive, highly automated systems, which should dramatically increase the productivity of finishers. Investments are made on the basis of picture-taking volume, which in turn depends on camera sales. Kodak itself makes most of its money on sales of film and paper rather than equipment, so the financial rewards of the new system will not be apparent until 1983, when the company hopes millions of its latest entry will be in consumers' hands.

Typically, amateur photographers use new cameras with abandon for the first six to nine months of ownership, giving photoprocessors a chance to prosper. Then in the three to five-year period after a product launch, as competitors play catchup, processors continue to enjoy substantial profits. Pako Corp., a photoprocessing equipment maker that said it used patents to design a film processing and printing system for disc films, placed the cost to small back-of-the-shop finishers as small when compared to the cost of the entire plant of $90,000 to $100,000. Kodak said the least expensive film processing unit it is producing will cost about $18,000.

Meanwhile, Kodak isn't resting, but is looking to answer the hesitation regarding the high price of the camera. At the annual meeting Mr. Fallon said a less automatic disc camera, with a manual flash, no close-up lens and penlight battery, will be introduced in Europe this fall. The 2000 model is expected to sell in Europe for $40, and analysts are predicting that in early 1983 lower-price extensions will surface here. This should help protect Kodak against competitors such as Keyston Camera Corp. and Vivitar, which are thinking of licensing the disc technology from Kodak. At least one company, Continental Camera Corp., Rahway, N.J., has already done so.

The company is also investigating the possibility of using the disc to record images from negatives to display on tv. Sony is expected to debut the Mavica that records images on videodiscs for tv playback next year, at a cost of approximately $1,000. Kodak is also researching and developing a filmless, all-electronic camera. Electronics are now used to improve traditional photos and prints made from poor negatives.

Besides looking into its crystal ball, in early 1981 Kodak brought out four more "conventional" cameras and faster instant film. These new cameras replace the Colorburst line, which fared badly against Polaroid's high-speed 600 Sun camera. Three of the four are folding models with built-in flashes which make use of existing indoor or outdoor light. The fourth, the Champ, is a rigid-body camera, at the lowest price of the line—$29.95. Top-of-the line is $114.95.

The new line commercials use magician David Copperfield as spokesman, with the tag line "Capture all the magic in an instant." Kodak used cable as part of its national rollout for the line.

Polaroid is not the only challenger Kodak has to stay focused on. Fuji Photo Film Co., the dominant force in amateur photography in Japan, is gearing up for its instant camera entry in the U.S. The company is expected to announce worldwide distribution in October. Fuji also won the sponsorship of the Los Angeles Olympic Games over Kodak, as the latter bickered over price. Fuji is already in the States with its film line, with a spring promotion featuring an instant game and an extensive ad campaign in May, trying to reach 90% of all adults more than 10 times for peak spring sales.

Kodak film replaced Ektra cameras as the area receiving the greatest amount of ad dollars in 1981. Film was supported by $19.5 million, including $11.4 million in network tv, $2.9 million in magazines, $4.9 million in spot tv and $371,700 in outdoor. The budget for Ektra cameras dropped by 63% in 1981, with only $5.9 million spent last year vs. 1980's $15.9 million. Network tv again received the bulk of the dollars with $4.2 million; $1.1 million was spent in magazines, $422,900 in newspaper supplements and $188,800 in spot tv.

Kodak Colorburst instant cameras and film had an ad budget of $1.7 million, all of that spent in magazines. Magazines also received the total budget for both Kodak carousel projectors and copiers. Carousel projectors were supported with $1.3 million and copiers with $1.4 million.

Kodak is going after the likes of Xerox and IBM by taking a different type of picture, a copy, with the August introduction of the Extraprint 250. The machine can produce 5,500 two-sided copies per hour automatically, using a pair of microprocessors 10 times as powerful as those in existing Kodak duplicators. Two models will be available: The 250 AF model, which can separate and staple multi-page sets, will sell for $116,000 and lease for $2,645 a month, and the model 250 F, which simply collates, at a price of $110,000, leasing for $2,505 a month.

These machines will set sights directly at high-end Xerox models, with Kodak features going up against Xerox's speed.

Kodak is aiming at another area of business machines with its August, 1981, acquisition of Atex Inc., a maker of computer-based publishing systems. The cost was about $79.2 million of Kodak stock. This should strengthen Kodak's position in the graphics market; the company already provides printing plates, phototypesetting papers, films and chemicals to the publishing industry. Atex computer systems and software were used in the preparation and processing of texts for newspapers, magazines and other publications.

The acquisition was a departure for the company, which prefers to develop its own technology. Atex management reports to the general manager of Kodak's photographic division.

In other photographic division highlights, worldwide sales of instant film showed solid increases, particularly in Latin America. While film advertising in Brazil remains with J. Walter Thompson, Kodak recently moved its line of Ektra cameras in that country to McCann-Erikson.

Some recent moves over at J. Walter Thompson have industry observers wondering whether the Kodak account will be following some of its key agency people out the door. Especially as William C. Thompson, a former JWT exec vp, joined McCann-Erickson as exec vp-director of account development. For the past five years Mr. Thompson has been focusing almost solely upon Kodak's worldwide business.

Executives at both Kodak and JWT state that the move of Mr. Thompson and the other vps who worked on the Kodak account are purely coincidental and any changes will be positive ones. Kodak is becoming more aggressive in its advertising posture; no longer content to deal with competitors only when they become realities, the company is now aware of threats to its domination of the amateur photography industry.

Kodak is expected to release a new Eastman color high-speed film by late 1982 for the motion picture industry. In addition, a color print film with improved dye-stability characteristics is being developed. The film will hold its color 10 times longer than other release print film available today, increasing its attractiveness to libraries, educational companies and for other archival applications.

At Eastman Chemicals division, several construction efforts are under way in areas such as coal gasification and hydrocarbon cracking. Agricultural chemicals are making steady advances with "excellent" sales gains for natural source Vitamin E. Kodel polyester staple and yarn and Estron acetate yarn were manufactured at near-capacity levels throughout 1981. Kodolite polyester, a fiberfill introduced in the fall, was well received by manufacturers of a wide variety of outerwear.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$2,510,000	$3,244,700
Magazines	13,274,800	11,088,500
Spot tv	5,587,700	3,235,600
Network tv	41,623,700	34,763,200
Spot radio	903,900	283,000
Network radio	550,300	1,558,800
Outdoor	558,900	312,100
Total measured	65,009,300	54,474,900
Unmeasured	35,990,700	29,412,800
Estimated total	101,000,000	83,887,700

EASTMAN KODAK CO.

Rochester, N.Y.

MARKETING PERSONNEL

K.R. Whitmore, exec vp-genl mgr, photographic div
J.P. Samper, group vp-genl mgr, photographic mktg group
W.J. Prezzano, vp-genl mgr, U.S. mktg div
J.R. Robertson, vp-asst genl mgr, U.S. mktg div
J.H. Barnes, vp-genl mgr, customer equipment service div
J.C. Fink, vp-genl mgr, health sciences mkts div
K.M. Mason, vp-genl mgr, motion pictures-audiovisual mkts div
F.P. Strong, vp-genl mgr, consumer/professional and finishing mkts
W.E. Sherman, vp-genl mgr, graphics mkts div
J.R. Sutcliffe, vp-genl mgr, business systems mkts div
J.J. Powers, vp-director, mktg communications
W.K. Pedersen, asst vp-director, adv and promo
C.J. Murphy, group vp-genl mgr, photographic mfg group
R.C. Kleinhans, vp-genl mgr, Kodak Apparatus div
B.B. Coles, president, genl mgr, Kodak Canada
R.T. Kramer, vp-genl mgr, Kodak Park div
G.A. Snyder, vp-genl mgr, distribution div

ADVERTISING AGENCIES

Rumrill-Hoyt, Rochester—genl picture-taking, print trade, audiovisuals, some business, scientific and industrial—Joseph M. Valerio, exec vp-mgmt super; David Fisher, senior vp-group mgr.

Young & Rubicam, New York—instant photo prods—Ruby Harrington, exec vp-group director; Ricardo C. Calvillo, senior vp-mgmt super.

J. Walter Thompson USA, New York—traditional photo prods, some business,

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industrial and technical—John Maher, senior vp, Kodak Worldwide U.S.; Granger Tripp, senior vp, Kodak Intl.

Baker, Lovick Ltd., Toronto—M. Lamont, vp-acct exec.

EASTMAN CHEMICAL PRODUCTS

Kingsport, Tenn.

MARKETING PERSONNEL

D.B. Campbell Jr., president
T.F. Reid, exec vp-genl mgr
P.J. Burns, senior vp
R.W. Bourne Jr., senior vp
J.W. Malloy Jr., vp-genl mgmt staff
B.F. Roberts, vp-adv and fibers
G.O. Traube Jr., vp-chemicals div and genl mgmt staff
W.L. Terrill, vp-plastics and plastics prod div and genl mgmt staff
R.C. Dubberly, vp-filter prods, intl div
R.C. Forrester, vp-technical service and devel, new prods
R.E. Hudston Jr, vp-textile fibers
T.L. Shealey Jr, mktg director, textile fibers div
J.T. Moore, mktg director, plastics div
T.G. Fudge, mktg director, industrial chemicals div
M.J. Mettetal, mktg director, H&N div
G.W. Snyder, mktg director, filter prods div
W.L. Johnson, mktg director, new prods div
R.F. McTier, mktg director, intl div
C.B. Fox, director, technical service and devel div
W.T. Ambrogi Jr., director, chemicals, field mktg div
N.M. Atkins, mktg director, coating chemicals div
L.B. Connelly, director, plastics field mktg div

ADVERTISING PERSONNEL

(all in New York)

A. LaManna, director, adv
K.E. Palmer, mgr, fibers adv
V.V. Reisig, mgr, chemicals adv
T.W. Lyons, mgr, plastics adv
M. Hennessy, mgr, intl adv
J.F. Horne, mgr, promo
H.E. Reebel, mgr, adv services
R.E. Webb, mgr, editorial services (Kingsport)

ADVERTISING AGENCIES

Leber Katz Partners, New York—all prods worldwide.

Esmark Inc.

	1981*	1980**
Sales	$3,132,349,000	$2,730,312,000†
Earnings	93,769,000	471,414,000†
Advertising	175,065,000	166,952,000††

*Fiscal year ending Oct. 31, 1981 (53 weeks)
**Fiscal year ending Oct. 25, 1980 (52 weeks)
†Revised due to corporate restructuring
††Restated

Its restructuring apparently complete, Esmark Inc., Chicago, the nation's 31st largest advertiser, showed dramatic gains in operating profits in fiscal 1981 from its stripped-down portfolio of brand-name packaged food, consumer goods and industrial chemicals and products.

Esmark spent an estimated $175.1 million in advertising in 1981, up 5% from the estimated spending of $167 million in 1980. Advertising and sales promotion spending as a percentage of net sales declined to 5.7% in 1981 from 6.2% in 1980 with the end of massive promotional campaigns for new food products introduced in 1979 and 1980.

Since 1979 the Chicago-based company has divested its low-margin fresh meat and capital-intensive energy interests to become a much smaller but more profitable concern. Revenues in the fiscal year 1981, ended October 31, were more than $3.1 million, less than half the pre-restructuring level, while net earnings were $93.8 million, slightly higher than they were in the last year before the divestitures.

After-tax earnings from on going operations in 1981 reached nearly $99.6 million, almost twice the $54.3 million reported for 1980.

A major contribution to the improvement in Esmark's bottom line was a sharp rebound in the results of Swift & Co., the remains of the foods operation on which the holding company was founded. Swift had record operating profits of $38.4 million for 1981, vs. a $9.8 million operating loss in the previous year. Swift remains the core of Esmark, accounting for nearly $1.5 billion or 47.4% of the company's revenues.

Although Swift reported the largest contribution among Esmark subsidiaries to the over-all bottom line, its 10% return on assets lags far behind the standard set by chief executive officer Donald Kelly for his "portfolio approach" to managing the operating units. At the annual meeting last March, Mr. Kelly said Swift had shown "remarkable progress" but that he wants at least a 15% return from the foods subsidiary. Other Esmark units have even higher returns on assets.

"We're about a year away from knowing whether Swift can consistently give us an adequate return," he said at the meeting, echoing his statement in the 1979 annual report. "I believe the time has come for performance rather than promises," referring to Swift's profits—which preceded the spin-off of the fresh-meat operations by about a year.

The turnaround stemmed from improved margins in three of Swift's food groups—processed meats, poultry and grocery. The fourth group, cheese, had flat results.

The best gainers were peanut butter, which capitalized on last year's peanut shortage by raising prices after locking in supplies, and the realigned turkey business, despite an industrywide inventory glut.

Over-all advertising expenditures for Swift were up 6%, to $26.2 million from $24.7 million in 1980, but still less than the $27.7 million spent in 1979. Most of the increase was in magazines, up about $500,000 last year, with network and spot tv advertising about the same.

Swift's dry grocery business was the most profitable area during 1981. Peter Pan peanut butter, the largest-selling product of the group, improved its market share 1.4% in share points, although it still runs a distant third, after Procter & Gamble's Jif and CPC International's Skippy. Ad spending for 1981 was $7.5 million, with $5 million of that going to network tv with the remainder in spot tv.

Dry soup mix sales increased in 1981 with extension of the Soup Starter line, including the introduction of Stew Starter dry stew mix, which went national in October. The company spent over $5 million in advertising last year on Soup Starter, up from $3.3 million in 1980, including about $2.5 million in network tv. The product has a 9% share of the dry soup market, down from 11% in 1980.

Swift spent $3.6 million to advertise Butterball turkey products, including a new line of smaller Butterball products which saw its first full year of national distribution. That compares with about $6.9 million spent on Butterball ads during the rollout phase in 1980. The company has about 24% of the branded turkey market, with an increase of one share point last year. Turkey and other poultry specialties account for about $300 million in sales, up from $286 million in the previous year.

Swift remained a major force in breakfast meats with a 5.4% share of the market, up from 5.1% in 1980. New products included Brown 'N Serve sausage from ham and a beef variety of Sizzlean breakfast strips.

Over-all ad spending in 1981 for processed meats totaled more than $13 million with ad spending on breakfast meats exceeding $7 million. Brown 'N Serve sausage held onto an 85% share of the total pork sausage market, while sales of Sizzlean and Swift Premium bacon were relatively flat. Spending on other meats included regional brands such as Schickhaus in New York and Mayrose in St. Louis, as well as Swift Premium label products nationally. Total sales of processed meats were in excess of $400 million.

Swift's cheese operations faced an industry oversupply of cheese and dairy products plus record USDA inventory levels as a result of the milk price support program. Treasure Cave blue cheese continued as a leader in its category, and the New Dimensions line of imitation cheeses was introduced nationally. Total ad spending for these two brands was $400,000.

International Playtex, Esmark's most profitable unit, increased earnings 29% in 1981 to $84.2 million, accounting for more than half of Esmark's profits from ongoing operations.

It was the first full year of earnings from leotard-maker Danskin Inc., acquired in April 1980, which contributed $11.4 million in earnings compared to $1.4 million in the previous year, including a $5.1 million offset for acquisition costs. During 1981, Danskin introduced new leotard brands and entered the casual socks business.

Esmark also reported "significantly higher earnings" from its marketing arrangement for the Jhirmack line of haircare products, which saw a $30 million gain in sales last year. Last March, Esmark announced the acquisition of Jhirmack Enterprises for $28.4 million. Jhirmack sales in 1982 are expected to reach $65 million in the nearly $1.6 billion shampoo-and-conditioner market.

Total advertising spending for the division increased 64% from 1980, as Playtex concentrated on Jhirmack and its other leading brand, Playtex tampons. Playtex reported "significantly" increased market share for tampons, following the turmoil caused by the discovery of toxic shock syndrome.

The U.S. intimate apparel divison of Playtex reported "very strong" sales and profits in 1981 and a record high market share. Playtex bras, girdles and panties were supported with over $26.6 million in advertising and sales promotion spending in 1981, compared to $25 million in the previous year.

Retail sales of Playtex's Pennaco Hosiery division were up 16% in 1981 vs. a total industry increase of 10%. Currently sold mainly in better department and specialty stores, the division has "aggressive plans and programs to increase share in this area scheduled for test marketing." National expansion of new Playtex Super Look pantyhose among mass merchandisers is likely in late 1982, and a line of bras and bikini underwear sold in grocery stores under the Bare D'Lites brand name, in light-bulb shaped containers and displays, went into test markets last December.

The international division reported a record sales year, with increased market shares in France, Italy and Mexico. Market shares remained steady in Spain, the United Kingdom, Australia and South Africa. The Danskin line was introduced in Western Europe last year, while Jhirmack products entered Canada and France. Playtex tampons registered a 32.3% market share in Canada and 31.2% in France. And the division entered into a joint venture with Carita, a French skin-and haircare company.

Estech, a diversified chemical company, posted revenues of $462.8 million and operating earnings of nearly $44.9 million in 1981.

Estech has four main lines of business: Phosphate rock mining, fertilizers, international investments and distribution of industrial chemicals.

Estech is the seventh largest independent producer and marketer of mixed farm fertilizers in the U.S. It makes Certified Harvest King fertilizer for farms and Vigoro fertilizer for lawns and gardens. It holds the second largest market share in the latter, supported last year by $771,000 in measured ad spending, compared to $681,000 in 1980. Its Par Ex brand is the leading fertilizer for golf courses and the commercial lawn care business.

Estech's earnings were relatively flat compared with 1980 as gains in fertilizer earnings from acquisitions were offset by reduced earnings in the phosphate business. Phosphate exports, which account for a large part of sales, were hurt by a weak international economy and a strong U.S. dollar.

Estech distributes industrial chemicals under the name of Weskem, acquired in September, 1981. Eschem, the other side of Esmark's chemicals business, has interests in industrial adhesives, wax coatings and specialty oils. Revenues were even with last year's record levels, but pretax earnings were down for the second consecutive year due to the recession.

For the sixth year in a row, Eschem's National Wax Co. reported increased revenues and a return on assets in excess of 25%. Eschem's international markets in Canada, the United Kingdom and France reported combined revenues and operating earnings slightly below 1980's record levels.

Altogether Esmark earned $46.9 million on revenues of $575.4 million from its chemicals group in 1981, compared with profits of $47.1 million and revenues of $485.8 million in the previous year.

STP Corp., a car-care products distributor acquired for $116.5 million in 1978, is apparently having profit problems although it continues to dominate several of its product categories. The company was not mentioned in the 1981 annual report nor at this year's annual meeting, and the head of Esmark's chemical unit has been studying what to do with the subsidiary. "It was a bad buy," Mr. Kelly said in March. "Costs are up considerably and volume is down." He also said the company has not added to its product line as expected.

STP's biggest brand, STP Oil Treatment, continued to lead the oil additive category in sales with measured advertising spending of nearly $4 million, vs. $2.4 million in the previous year.

STP Gas Treatment maintained its lead in the expanding gas additive category with record sales on measured advertising of more than $3 million, against 1980 ad spending of $2.3 million. Sales of Son of a Gun, a vinyl protector that is one of the leading brands in that market, are growing in excess of 10% a year. Measured ad spending for Son of a Gun was estimated at more than $3 million, compared to $2.6 million in 1980.

STP Diesel Fuel Treatment was introduced last year and achieved "significant levels that were well above plan," the company said. A major part of STP's marketing strategy is the sponsorship of auto racing teams, including Gordon Johncock, this year's winner of the Indianapolis 500.

Estronics is the new name for the division that includes International Jensen, maker of high-fidelity audio products, plus EESCO Inc., the Midwest's largest independent electrical wholesale distributor, and Custom Technologies, a maker of short-run metal stampings and investment castings.

Revenues from Estronics reached $289.3 million from $216.7 million in 1980, while operating earnings declined to $23.2 million from $25.2 million. Earnings from acquired businesses and the domestic car speaker business were up but profits from international sales and other domestic hi-fi products were down. Also, 1980 earnings included $1.1 million from the sale of a division.

International Jensen, the brand leader in home and car stereo speakers, improved its market position in 1981 despite the slump in auto sales, apparently because "consumers are now keeping cars longer and investing in after market products," the company said.

Jensen also makes car audio receivers, including electronic digital display units introduced last year. Jensen recently introduced a line of audio-video component products to compete in the booming video market.

During 1981, Jensen acquired Discwasher Inc., the leading maker of record and tape care products. Discwasher recently introduced video head cleaners and other products for the video accessory market, which grew by nearly 90% last year.

Other recent acquisitions are Advent, manufacturer of high-quality home loudspeakers, and Phase Linear, a maker of electronic audio components. Jensen also markets hi-fi products for the car and home in more than 60 countries, with the largest growth in Latin America last year.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers......	$1,217,700	$2,067,300
Magazines.......	11,268,700	9,003,900
Spot tv...........	8,443,900	9,197,500
Network tv.......	47,181,800	41,854,800
Spot radio........	6,900	[illegible]17,200
Network radio...	1,186,100	1,382,700
Outdoor..........	106,700	75,790
Total measured	69,523,600	64,819,100
Unmeasured...	105,541,400	102,132,900*
Estimated total†	175,065,000	166,952,000*

*Restated

†Totals supplied by Esmark

ESMARK INC.

Chicago

MARKETING PERSONNEL

Donald P. Kelly, president-ceo
Philip L. Thomas, vp-corp communications

ADVERTISING AGENCY

Dancer Fitzgerald Sample, San Francisco—corporate—Paola Gianturco, vp and mgmt super, David Hill, acct super.

SWIFT & CO.

Chicago

MARKETING PERSONNEL

Joseph P. Sullivan, president/ceo
Bruce J. Gooden, director-corporate mktg servs
Paul Hills, media director
Mary H. Quirk, creative director
B. Joe Young, vp-genl mgr, cheese
Edward Huskisson, vp-genl mgr, dry grocery
Lee Lochmann, vp-genl mgr, poultry and processed meats
Tom Giglio, director of mktg, poultry
Bill Nicol, group prod mgr, Soup and Stew Starters
Tim Harris, prod mgr, Soup and Stew Starters
Randy Irion, mktg mgr, Brown 'N Serve sausage
Dennis Fitzgerald, mrkg mgr, Breakfast Strips
James Neary, director of mktg, processed meats
Cindy Reed-Rothfelder, group prod mgr, Peter Pan

ADVERTISING AGENCIES

Foote, Cone & Belding, Chicago—Peter Pan, Soup Starter, corporate—Douglas Belzer, Paul Vernan, group mgmt super.

Don Costello & Co., Chicago—International Entree.

Grey Advertising, New York—Brown 'N Serve, Butterball, Sizzlean, Firebrand, Schickhaus, processed meats—Jeff Stein, mgmt super.

Robinson and Mondlock, Chicago—cheese—William S. Robinson, senior vp, mgmt director.

INTERNATIONAL PLAYTEX

Stamford, Conn.

MARKETING PERSONNEL

Joel E. Smilow, president-ceo
Walter W. Bregman, president, Playtex US
Edward T. Fogarty, president, intl div
George Fellows, senior vp & genl mgr, intl div-apparel operation
Irene LaPointe, president, Jhirmack salon div
Michael A. Kaufman, vp-genl mgr, intimate apparel div
Gary M. Lausin, vp-genl mgr, family products div
William F. Karnbach, vp-genl mgr, Pennaco Hosiery div
Carl Epstein, president, Danskin Inc.
George Montaigne, media director

ADVERTISING AGENCIES

Grey Advertising, New York—domestic and international: Bras, girdles, Danskin, tampons, nurser—R. Schoenfein, exec vp.

Compton International—international-bras, girdles—Robert H. Huntington, exec vp and chief operating officer.

Rosenfeld, Sirowitz & Lawson, New York—Jhirmack haircare products—Peter Heinz, exec vp

ESTECH INC.

Chicago

MARKETING PERSONNEL

Edward R. Vrablik, president
Charles E. Seaton, vp-agriculture, eastern region
W.R. Payne, vp-agriculture, western region
R.E. Kelly, vp-industrial & intl
I.B. Stacy, natl sales mgr-Par Ex
Robert G. Lange, natl sales mgr-Vigoro
Paul A. Steger, mktg mgr-Vigoro

ADVERTISING AGENCIES

Cunningham & Walsh, Chicago—Vigoro—Jim Davidson, senior vp.

Sawyer Advertising, Gainesville, Ga.—Certified Harvest King—Gordon Sawyer, acct exec.

Inter-Ag Associates, Chicago—Certified Harvest King—Ralph Peebler, acct exec.

Stephens, Biondi, DeCicco, Chicago—Bob Comein, acct super.

The John Volk Co., Chicago—Par Ex—Roger Yount, acct super.

ESCHEM INC.

Chicago

MARKETING PERSONNEL

James M. Snodgrass, president
Russell G. Tait, genl mgr, Swift Adhesives
Ray O'Byrne, natl sales mgr
Don Saltzman, director of mktg

ADVERTISING AGENCIES

Stephens, Biondi, DeCicco, Chicago—Swift adhesives & coatings div—Bob Comein, acct super.

Ray Zeff Agency, Skokie, Ill.—National Wax—Ernie Nordlinger, acct super.

STP CORP.

Boca Raton, Fla.

MARKETING PERSONNEL

Leo J. LeClair, president-ceo
Jeff Carpenter, vp-mktg

ADVERTISING AGENCY

Grey Advertising, New York—all prods-Robert Berenson, vp-mgmt super

ESTRONICS INC.

Schiller Park, Ill.

MARKETING PERSONNEL

Edward F. Anixter, president-ceo
Robert F. Erazmus, president, International Jensen
Peter Fredriksen, vp-genl mgr, car audio group
Richard Schaar, vp-mktg, car audio group
Russell E. Trennert, mktg services mgr, car audio group
Fred Hackendahl, vp-genl mgr, home electronics group
Liam Drady, vp-sales & mktg, home electronics group
Chuck Wendt, director of mktg services, home electronics group
Paul Peters, exec vp, Discwasher
David Howe, dir-mktg, Discwasher
Dale Berlau, dir-mktg services, Discwasher

ADVERTISING AGENCIES

Benton & Bowles, Chicago—car audio group—Carol Singer, acct super.

Cunningham & Walsh, Chicago—home audio group—Jim Davidson, acct super.

Colle & McVoy, Minneapolis—Doric Corp.—Thomas Enquist, acct super.

Morning Advertising (inhouse), Columbia, Mo.—Discwasher.

Exxon Corp.

	1981	1980
Sales.......	$115,148,321,000	$104,7[illegible]39,000
Earnings...	5,567,481,000	5,[illegible]50,090,000
Advertising*.	58,062,030	35,000,000

*AA estimate

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WE MAKE MULTIMEDIA WORK

Exxon Corp., New York, the 84th largest national advertiser, increased its advertising 66% to an estimated $58 million in 1981. In 1980, Exxon's estimated advertising expenditures were $35 million.

After two years of dramatic growth in which the company doubled its annual earnings to $5.7 billion in 1980, net income declined 1.5% in 1981, to $5.6 million. The decline in earnings in 1981 was offset to a great extent by foreign exchange gains related to the strengthening of the U.S. dollar. Both the petroleum and chemical segments of the company experienced depressed earnings due to weak product demand, excess production capacity and higher raw material and operating costs.

Exxon's poor performance continued into 1982. The company announced in July that its 1982 second-quarter earnings had dropped 51.5% to $885 million compared with $1.83 billion in the second quarter of 1981. For the first six months of 1982, Exxon's net income declined 38% to $2.1 billion, in comparison to the $3.4 billion of a year earlier. Exxon's 1982 second-quarter earnings were its lowest since 1979 when it earned $830 million.

The company's weakest performance came from its refining and marketing businesses in Europe where conditions similar to 1981—weak product demand and higher operating costs—combined with a depressed economic environment produced losses of $17 million.

However, the company reported that earnings had also been reduced by a $106 million loss provision resulting from its decision to withdraw from the Colony shale oil project in Colorado in May.

The company does not expect its troubles to be over soon. It is gearing for tougher times ahead with an estimated 15% reduction in its work force. It is also expected that its budget for exploration and other capital investment will be scaled down.

Exxon has also cut back on its corporate advertising budget. The "We're Exxon. We're more than 100,000 people working on energy," campaign has been shelved and there are indications that product ads may be the next casualty.

More than 50% of its 1981 spending was concentrated on network tv, which received $24.2 million. About $6.8 million went to magazines while $6.2 million was devoted to spot tv.

According to Leading National Advertisers, Exxon spent $23.9 million in measured media support for general corporate promotion in 1981, of which $20.6 million went to network tv, $2.8 million to magazines, $357,400 to spot tv and $70,600 to network radio. In 1980, the company had spent only $10.5 million in this category.

Exxon reported that energy operations had declining revenues in 1981. Even though U.S. earnings were favorable, affected by the full decontrol of crude oil prices, the improvement was tempered by increased taxes and higher exploration expenditures.

In addition, its oil reserves continued to drop—from 6,513 million bbls. at the beginning of 1979 to $6,157 million bbls. at the end of 1981.

In spite of the poor earnings climate, 1981 saw Exxon's development drilling program at its highest level in over 20 years. Development expenditures of $1.9 billion set a new record, and development wells drilled were up 30% to 934. The company confirmed the presence of significant quantities of oil at its 1980 oil find in Arauca, Colombia.

It was also a year in which Exxon decided to call a halt to a number of its ongoing projects. In July, the company suspended work on the proposed development of heavy oil deposits at Cold Lake, Alberta. The potential returns from the project did not justify its reactivation, said the company. Later in the year, the company relinquished all its concessionary interests in Libya. Finally, in the spring of 1982, the company decided to withdraw from its shale oil project in Colorado, in which it had already invested over $1 billion.

The company has also suffered heavy losses in its effort to mine uranium and other metals. In fact, it plans to shut down its uranium mining operations in the U.S. by the end of 1983. Exxon's mining losses are estimated at $383 million.

Exxon is also experiencing disappointing sales and revenues with its office systems products. The three major product lines—*Qwip* facsimile system *Qyx* electronic typewriter and *Vydec* word processing system—have been struggling in the marketplace and 1981 losses were placed at $105 milllion.

In an effort to strengthen the image of its office products, the company switched its advertising from McCaffrey & McCall to Marsteller Inc. and increased the advertising budget to $20 million.

Measured media support was estimated by LNA at $5.1 million, of which $3.4 million went to network tv, $1.5 million to magazines, $242,400 to network radio and $20,900 to spot tv. The 1981 ad expenditures on office systems products was not significantly different from the 1980 expenditures.

Another problem area for Exxon has been its subsidiary, Reliance Electric Corp. After purchasing the company for $1.2 billion, Exxon has found its alternating current synthesizer too expensive to be practical. In March, Reliance terminated further development work on the project. Sales from Reliance's other products earned Exxon only $31 million in 1981.

As the oil companies prepare for the first extended period of price competition since the oil embargos of the 1970s, Exxon is not prepared to be left behind. Even though it has not followed Atlantic Richfield Co.'s plan to discontinue credit cards, it has developed its own discount for cash campaign. Under the program, dealers are encouraged to offer a discount to motorists who pay cash for gasoline and diesel fuel.

Exxon had test marketed its discount for cash program in Phoenix; Worcester, Mass.; Jackson, Miss., and Norfolk, Va., where nearly 90% of all dealers chose to participate in the program. It was planned that by the end of August the program would be extended to all markets where Exxon has branded retail stations.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	[illegible]	$2,883,900
Magazines	6,775,900	2,261,100
Farm publications	253,100	220,500
Spot tv	6,246,900	8,325,500
Network tv	24,199,400	9,891,200
Spot radio	2,907,700	894,200
Network radio	313,000	342,600
Outdoor	256,300	269,300
Total measured	42,482,500	25,097,200
Unmeasured	15,579,530	9,902,700
Estimated total	58,062,030	35,000,000

EXXON CORP.

CORPORATE PUBLIC AFFAIRS PERSONNEL

J.M. Irwin, senior adviser-adv
H.F. Leiendecker, senior adviser-rsch
H.B. Jordan, corporate adv adviser
C.W. Goodyear III, mgr, mktg operations div, petroleum prods
S.A. McNeely, senior adv-retail mktg, petroleum prods

MARKETING DEPARTMENT
Houston

R.W. Martenis, communications and adv coordinator
W.T. Hotan, adv/publications mgr
R. Bennett, adv specialist
S.K. Britt, merch & special projects coordinator
J.M. Cahill, mktg rsch coordinator
J.D. Adkins, retail services and adv mgr

Chemical Operations
Houston

G.W. Laird, mktg services mgr
W.R. Fenwick, creative services senior staff coordinator
B.B. Domby, mktg services coordinator

Office Systems
Stamford, Conn.

F. Abbruscato, director, public affairs and communications
W.B. Wood, mgr, adv and sales promo

ADVERTISING AGENCIES

Marsteller Inc., New York— James Waechter, vp-mgmt super, Art Zimmerman, senior vp-director of client services; James Rosiello, acct super.

McCaffrey & McCall, New York—acct mgmt—John Collins, senior vp-group mgmt super; Ralph Thomas, vp-mgmt super; Sam Fertig, vp-mgmt super; Sheila Walker, acct exec.

McCann-Erickson, New York— J.G. Heatherly, vp-genl mgr; J.W. Collins, acct super.

Ford Motor Co.

	1981	1980
Sales	$38,247,100,000	$37,085,500,000
Earnings	(1,060,100,000)*	1,543,300,000
Advertising**	286,686,000	280,000,000*

*(Loss)
**AA estimate

Ford Motor Co., Dearborn, Mich., the 11th largest national advertiser, spent an estimated $286 million in advertising in 1981, 2.4% over last year's $280 million.

Low vehicle sales in North America plunged Ford to its second year of $1 billion-plus losses, although the company earned $387 million outside North America. The Canadian loss was $252 million.

Worldwide dollar sales rose 3% to $38.2 billion on unit sales of 4.4 million, down 1% from 1980. Unit sales rose 2% outside the U.S. and Canada.

The 1981 losses still represented a minor improvement of some $483 million from 1980's loss. It was caused primarily by "the continuing lack of profitability in our North American automotive business," said chairman Philip Caldwell. Ford had to fight for market share in the depressed market that saw industry sales of 8.5 million cars, the lowest in six years. Trucks, always profitable, slumped to 2.3 million industry sales, the lowest in 10 years.

Ford's market share for cars slipped to 16.6% of the total U.S. market, down from 17.3% in 1980. Truck share was also off, down to 31.4% from 31.6%, although Ford maintained the truck sales lead in the U.S., for the fifth year, by some 41,000 units.

The subcompact Escort, built worldwide, was the best-selling nameplate in the world in 1981, and in the early part of the 1982 model year, Escort was the best-selling car in the U.S.

Those were the bright spots. Ford sold 2.1 million vehicles in the U.S., down 9% from 2.3 million in 1980.

Ford's measured ad spending increased to $264.2 million from $247.3 million in 1980. Broadcast tv took the biggest chunk, $113.9 million, but was down from last year's $125.7, as Ford spent increased amounts in newspapers, magazines and cable.

Shifts in Ford's media strategy were discussed by president Donald E. Petersen in a speech. "For over 30 years, network tv has dominated our thinking in this area. Over the next 30, this will very likely change," Mr. Petersen said.

Ford will likely shift to a "rifle" approach from a shotgun approach, turning to cable tv, videocassettes and disc, regional and special interest publications and local radio and tv.

In the fall of 1981, Ford ran some 400 spots on three cable networks as part of its over-all tv effort, consuming 62% of the 1982 launch budget.

Both car divisions showed decreases in measured ad spending, caused primarily by increased use of cable tv and heavier corporate outlays. Ford division spent an estimated $125.1 million, down from $147.7 million in 1980.

Lincoln-Mercury's spending fell to $55.5 million from $71.5 million. Network tv took the brunt of the decline while newspapers and magazines showed increases. L-M's spending followed the same pattern. Network tv fell to $27.9 million from $41 million, while spot tv dipped to $7.9 million from $8.7 million. Magazine spending rose to $14.5 million from $12.7 million in 1980. No monies were spent in spot radio, and net radio spending was cut to $334,700, down 82% from 1980's $1.8 million.

Product advertising was down but sales were even worse off. Ford division car sales fell to 1-million from 1980's depressed 1-million.

Only Granada showed a real increase over the previous year and that came at the expense of its sister Fairmont. Granada sales climbed to 106,996 from 88,371, while Fairmont sales slumped to 182,909 from 285,272.

Some of the slack was taken up by the Escort sales in its first full year of production. Escort sales totaled 284,907, making it the division leader. In its abbreviated 1980 life, Escort sales were 60,196.

Ford's two specialty market offerings, Thunderbird and Mustang, also ran into hard times. T-Bird sales plummeted 45% to 69,775 from 127,248, and Mustang's dropped to 154,985 from 225,290. The full-size Ford was surprisingly strong with sales of 113,109 down from 142,819.

Although truck sales declined over-all, there were areas of strength. The Econoline vans scored a gain to 108,658 units from 104,254 in 1980.

The Club Wagon, a passenger van, held almost even at 24,669 units from 24,783 the year before.

The mainstay, light-duty conventional trucks, still were the best sellers at 432,134, down from 475,998. Sales for four-wheel-drive Broncos continued to decline, down to 35,680 from 1980's 40,065, and heavy-duty trucks fell to 51,783 from 68,117.

Ford truck execs were pinning hopes of a comeback in trucks on the compact Ranger line, introduced early in 1982, and a downsized Bronco due out as an 1983 model.

Lincoln-Mercury division weathered the dismal auto sales slump pretty well. Sales actually showed a slight increase from depressed 1980 levels at 403,380 units, up from 400,587.

The luxury lineup of Lincolns just about held even. The full-size Lincoln sold 29,178 units down from 30,144, while Mark VI dipped to 29,733 from 35,371. Continental, smaller now, partially recovered some of the losses with sales of 4,919.

In the fall of 1980, Ford was looking to the future, hoping new models could help it take on the world. The Escort was the first of a new wave of internationally designed cars.

The Escort was intended to change the image of Ford to some degree and also to become its best-selling car. "The success of these two car lines is bigger and more important than just sales. It isn't just bringing out a Mustang or Capri to break a sales record," said Bennett Bidwell, then vp-car and truck group for North American Automotive Operations.

Other Ford car ads kept essentially the previous year's style. The sporty "Mmmmustang" kept prancing horses and young women happy under the head: "America's most popular sports car."

Thunderbird was "unforgettable" in the crooning words of the late Nat King Cole and his daughter Natalie.

Later in the fall, Ford began running a series of repair information ads to comply with orders from the Federal Trade Commission.

Under the aegis of Ford Parts and Service division, Ford ran five insertions in six national magazines with the headline: "Ford Motor Co. introduces the customer information system. It makes great aftermarket service even better."

Ford began what would turn out to be a long string of rebates and rebate substitutes when it followed hot on Chrysler's heels into interest rate ceilings. Ford set a 12% interest ceiling on loans as the prime rate floated around 18%.

Stepping into 1981, Ford put a

spotlight on the Escort when it fine-tuned the "world car" theme line to: "Escort—built in America to take on the world—and doing it."

The EXP, a two-seat sporty car based on the Escort platform, was introduced in April and Ford wanted to give it a good corporate and divisional send-off with the idea it was "another car from your world car company as opposed to another world car," said Philip Benton, vp-sales operations for North American Automotive Operations. "We want to keep that image of the company going but the car itself is a North American product."

The corporate theme for the EXP intro was "tomorrow is coming," which led to the divisional theme: "Tomorrow is here." Tomorrow included a bit of yesterday as Ford put the blue oval on the EXP, the first time the symbol had appeared on the outside of a Ford since 1938.

GM and Chrysler pushed Ford into more direct rebates in late February. The only cars exempted from the 10% rebates were the Escort and full-size car. Ford put $10 million behind this wave of rebates. During the summer, Ford switched to indirect rebates in the form of dealer incentives. When it came time to clear out the 1981 models in September, direct rebates were brought back.

Ford also cleared out old ads in September, keeping only a modicum of the "world car" theme for Escort and opening an umbrella theme over all its models: "Look out world, here comes Ford."

Magazine ads and tv commercials got a unified look as well. A silver background graced magazine ads for all the car lines and the cars appeared in profile, *a la* Lincoln-Mercury. The "Look out world" theme became tag music on all tv commercials. Most of the Ford tv time in the fall went to the small and/or sporty models.

The new Escort four-door was "A brand-new World Car," and the slow-selling EXP was a "brand new two-seat movin' to the upbeat." All the singing fit well with the three-week radio blitz that began in mid-September. Each model was given an appropriate voice and song, such as Natalie Cole (again) for Thunderbird and Tony Bennett for Granada.

But the grandest plans of men and marketing managers are fleeting and the early onset of rebates in October sapped strength from product advertising. Ford went after GM's special interest plan with a direct rebate and the ad line: "A better way to beat the high cost of financing." Ford's "up front money" ran from $700 on the EXP to $500 and $400 on various Escorts.

Ford tried to make more sense out of indirect rebates with the "Fordcare" program in January. The two-year, 24,000-mile warranty and maintenance plan coupled with a 5% rebate on the base price of Escorts followed direct rebates at Chrysler and a price cut threat from GM.

Corporate print ads for the program starred Harold Poling, executive vp of NAAO. The headline read: "We are offering more than quality. We are offering the closest thing to cost-free driving."

Ford division ads picked up the "cost-free driving" line and hired Telly Savalas for the commercials. The rebate part of the program was expanded to include virtually all Fords after GM announced extensive rebates in February.

One of the few vehicles that did not fall under the new rebate program—at least at first—was Ford's new compact pickup truck, the Ranger.

As sales continued to slump, Ford joined GM in asking suppliers, including ad agencies and the media, for a 2% giveback. The agencies grudgingly complied but the media gave Ford the same answer they gave GM: No.

In preparation for new models due in the fall and winter for the 1983 model year, Ford began shifting ad weight back to product advertising from rebate advertising.

In the fall of 1980, Lincoln-Mercury also decided people needed to see more pictures of the division's cars, so it put 75% of its largest-ever ad budget into tv. The L-M version of the Escort, the Lynx, was the star for fall and it got royal treatment.

Agency Young & Rubicam hired a "Star Wars" special effects expert, and English director and composer Vangelis ("Chariots of Fire" and "Blade Runner") to make the Lynx commercial on Los Angeles' largest sound stage.

The spots placed a live lynx in a stark landscape with the new Lynx. The "world car" theme was tied in with the line: "Starting today, the world belongs to an American car. Starting today the world belongs to Lynx," with a shot of the lynx perched atop a sphere which turns into a globe.

Other Mercury brand car lines were put into a unified print campaign which showed the cars in profile with artwork instead of photos. Two-word headlines were the rule, "Space travel" for the Zephyr station wagon and "Class cat" for Cougar.

L-M tried a different tack with its luxury cars in mid-winter. The big cars had been selling poorly despite an ad blitz in the fall so L-M decided to push luxury with price, a delicate task. The Lincoln Town Car got newspaper ads with the headline: "Perhaps the best item on this list of standard features is the bottom line." Mark VI designer series special packages were touted as "A modern art sale."

Other models also received price breaks as L-M carried all the rebate programs that Ford division did, model for model.

In the spring, L-M introduced the LN-7, a two-seater version of the Lynx that looked just like the Ford EXP except for a curved glass back window. "The LN-7 and the Lynx are a marketing man's dream," said Gordon MacKenzie, L-M general manager. "Everything came together. We wanted to hang onto our good ride and luxury image and still have fuel economy. We need more youth-oriented products. It takes a long time to change perceptions and the LN-7 is right along the line of what we are trying to do."

Fall introduction advertising for the division carried on that plan. A new model, the reshaped Continental, was touted in toney but sparse ads and commercials in the style of the original Lynx spots. "Research showed that these people [luxury car buyers] said they don't want to know all about the engine size," said Mr. Vanderzee. "All they want to know is if this car is the ultimate, the most up-to-date luxury car. They want a status symbol and getting the newest luxury car is their status symbol. They don't care about all those other words. That's why we've gone to very simple stuff."

The advertising style of the previous fall continued for other car lines as well. The new five-door Lynx had the print headline: "Missing Lynx." The LN-7 would "Handle with flair" and the Cougar wagon had "Class room." L-M also boosted cable advertising it had started in the spring to reach an upscale audience.

Ford corporate ad efforts also looked more toward improving the company's image, changing from the Escort oriented "incredible world of Ford" ads in fall, 1980, to the "Quality is Job 1" campaign a year later. "We in corporate are going to take the quality story, which is really essential to the image of the corporation. The two vehicle divisions will tell the story of the product," said Joseph A. Kordick, executive director of marketing for NAAO.

Ford essentially traded corporate campaigns with GM when it took up "Quality is Job 1." GM had been running a "people building transportation to serve people" campaign that used shop-room vignettes but dropped it in favor of a technology theme that looked to tomorrow's cars. Ford gave up on copy like: "If you could see tomorrow the way it looks to us today, you'd say incredible," and picked up shots of the shop for the "quality" theme.

In spring, 1982, Ford split corporate ad responsibilities between two agencies, taking some business away from Wells, Rich, Greene and giving it to Young & Rubicam.

Y&R officially took over corporate product advertising but that translated into responsibility for the "Quality" campaign. WRG kept working on a campaign with the theme: "There's a Ford in America's future," which ran weekly in newspapers and magazines and on tv.

The assignment shakeup was due to a rearrangement of duties at Ford. "While my group had been assigned to NAAO before being transferred back to marketing staff, we had the responsibility for corporate advertising there. With our reassignment back to marketing staff, it was decided the corporate efforts of the company should be directed to a new campaign [Ford future]. It was reasonable for NAAO to select one of its own agencies to handle its business and they picked Y&R," said John Bowers, director of advertising for the corporate marketing staff.

Mr. Bowers retired from his post on July 1. John McDougall, executive vp of Ford International Automotive Operations also retired in the summer of 1982. He was replaced by Robert Lutz, who had been president of Ford of Europe.

James A. Capolongo gave up his post as vp-truck operations to replace Mr. Lutz and Edson P. Williams became vp and general manager of the truck operations, leaving his post as president of Ford Asia-Pacific.

Earlier in the year, B.J. Coughlan became general marketing manager of L-M, from a regional sales post, replacing Joseph E. Cappy, who left to become the vp of AMC's marketing group.

Ford Parts & Service literally took a closer look at the auto aftermarket for a 1981 campaign. Ford Parts provided highly magnified looks into engine parts. The ads also targeted the Motorcraft brand to do-it-yourselfers.

Ford Tractor borrowed a page from the Escort world car ad campaign for its new Series 10 tractors. "Built to take on the world" was the recycled theme line. Ford Tractor tried to capitalize on the same blue logo that is on car, truck and tractors. But worldwide tractor sales still reflected economic hard times and fell to 89,300 units off 9% from 1980.

Ford Glass division geared up to supply auto manufacturers in Europe and Japan as well as Ford units. Rouge Steel Co. was formed from the Steel division as a wholly owned subsidiary.

Electrical and Electronics division came up with computer controlled electronic instrument panels for 1982 Continentals and was poised for further electronic marvels like cathode ray maps, talking cars and automatic day-night rear-view mirrors.

ADVERTISING EXPENDITURES

	1981	1982
Newspapers	$31,989,700	24,379,500
Magazines	55,077,200	35,918,500
Farm publications	2,920,700	2,570,000
Spot tv	22,506,000	31,615,400
Network tv	113,900,600	125,701,500
Spot radio	32,199,600	19,599,000
Network radio	4,368,600	5,559,800
Outdoor	1,213,300	1,966,800
Total measured	264,175,700	247,310,500
Unmeasured	22,510,900	32,689,500
Estimated total	286,686,600	280,000,000

CORPORATE MARKETING PERSONNEL

William P. Benton, vp-mktg
R.C. Reynolds, mgr, corp adv
F.R. Wuellner, mgr, adv comm

ADVERTISING AGENCY

Wells, Rich, Greene, New York—Gary Kullberg, exec vp, mgmt group head; Kenneth N. Campbell III, vp, genl mgr/Detroit office.

NORTH AMERICAN AUTOMOTIVE OPERATIONS

MARKETING PERSONNEL

P.E. Benton Jr., vp-sales operations
J.A. Kordick, exec director, mktg
K.F. Smith, director, mktg strategy
G.L. Nielsen, mktg & adv programs mgr

ADVERTISING AGENCY

Young & Rubicam, Detroit—William A. Power, senior vp, Y&R Detroit mgr; Roby Harrington, exec vp, regional director; John Sanders, senior vp, director client services; Peter Harris, vp-group director, NAAO; Phil Reuschle, vp-mgmt super; Jan Starr, vp-acct super; Glenn Northrup, acct super; Mike Wilberding, acct exec; Linda DuRoss, acct exec.

FORD DIVISION

MARKETING PERSONNEL

L.E. Lataif, vp-genl mgr
B.L. Crumpton, genl sales mgr
J.L. Pfeifer, exec asst, dealer affairs
L.R. Miskowski, genl mktg mgr
J.H. Deimel, light-truck sales mgr
D.T. McClure, adv mgr
R.J. Gillooly, natl adv mgr
L.W. Cumbelich, dealer adv mgr
J.G. O'Connor, merchandising mgr
D.M. Pohlod, vehicle sales promo mgr
J.E. Miller, training & comm mgr

Truck Operations

E.P. Williams, vp-genl mgr
A.R. Krueger, genl sales mktg mgr, heavy trucks
Carver Wood, heavy truck mktg mgr
R.E. Gray, heavy truck adv & merch super

ADVERTISING AGENCY

J. Walter Thompson Co., Dearborn, Mich.—J.G. Schulte, exec vp, Detroit genl mgr; William Jeanes, senior vp, Ford acct director; C.J. Balestrino, senior vp, group mgmt super car; D.L. Sinclair, vp-mgmt super car; A.C. Kesteloot, vp-mgmt super truck; W.A. Gelgota, acct super truck; M.A. Graham, acct super truck; R. Gamble, senior vp, Ford dealer adv; E.J. McCarthy, senior vp, media director.

LINCOLN-MERCURY DIVISION

MARKETING PERSONNEL

Gordon B. MacKenzie, vp-genl mgr
Robert L. Rewey Jr., genl sales mgr
B.J. Cougnlan, genl mktg mgr
J.B. Vanderzee, adv mgr
James C. Stewart Jr., merch mgr
Robert J. Meredith, adv media coordinator
Forrest H. Brown, major market/dealer adv mgr

ADVERTISING AGENCY

Young & Rubicam, Detroit—William A. Power, senior vp-genl mgr; Roby Harrington, exec vp-regional director; John Sanders, senior vp-director client services; Chuck Riley, vp-group director Lincoln-Mercury; Bob Colgan, vp-group director LMDA; Phil Seth, vp-mgmt super L-M adv; Greg Stein, vp-mgmt super L-M planning; Tim Hart, vp-acct super; Warren Winstanley, vp-acct super; George Bak, acct super/planning; Tim Cooney, senior acct exec; Tom Donaldson, senior acct exec; Sandy Rowland, acct exec; Skip Drayton, acct exec; Rich Murphy, acct exec; Ken Pool, vp-media director.

FORD PARTS & SERVICE DIVISION

MARKETING PERSONNEL

C.V. Barion, genl mgr
G.C. Chave, service programs mgr
K.W. Myers, prod & mktg mgr
M.L. Jones, mktg mgr
Pax D. Richardson, adv mgr

ADVERTISING AGENCY

Young & Rubicam, Detroit—Robert Colgan, vp, acct director; Robert Sontag, vp-mgmt super; T.J. Ryan, acct super, parts; Jane Vreeland, acct exec; Martin Schemm, acct super service; Carol Conestraight, acct exec.

TRACTOR & IMPLEMENT OPERATIONS (NORTH AMERICA) OF FORD TRACTOR OPERATIONS

MARKETING PERSONNEL

M.H. Manning, vp-genl mgr
R.C. Leary, asst genl mgr, sales/mktg
R.J. Nicolazzi, genl operations mgr
J.J.L. Johnson, genl sales mgr
J.N. Chuchman, mktg mgr
A.H. Pridgeon, avd/sales promo mgr

ADVERTISING AGENCY

Meldrum & Fewsmith, Southfield, Mich.—Dean Neill, exec vp; O. Leffler, senior acct exec; J. Bryan, acct exec; M. Shencopp, acct exec.

FORD MOTOR CREDIT CO.

MARKETING PERSONNEL

J.W. Ford, chairman of the board
K. Whipple, president
W.P. Conners, exec vp-North American Automotive financing operations
J.G. Duff, exec vp-insurance and special financing operations
R.B. Updegraff, exec vp-international operations
L.C. Larkin, vp-insurance operations
S.M. Poth, vp-mktg and operations services
J.F. McGrath, mktg and business development mgr
D.R. Forsyth, business development and sales training mgr

ADVERTISING AGENCY

Wells, Rich, Greene, New York East—Edward Wax, exec vp-mgmt group head;

Detroit—Kenneth N. Campbell III, vp-genl mgr; J.D. MacKay, acct super.

General Electric

	1981	1980
Sales	$27,240,000,000	$24,959,000,000
Earnings	1,652,000,000	1,514,000,000
Advertising	164,696,300	156,196,300

*AA estimate

General Electric Co., Fairfield, Conn, the 35th largest advertiser in the U.S., increased its domestic advertising spending by an estimated 5.4% in 1981 to $164.7 million.

Spending levels increased for spot tv, spot radio and outdoor advertising, but the most significant increase was for magazines, up by some 16% to $19.2 million. Reduction in spending levels occurred in newspapers, network tv and network radio advertising.

Earnings in 1981 rose by 9% to $1.65 billion. Revenues also increased 9% to $27.2 billion, making GE the 13th largest of the nation's nonfinancial companies. However, earnings for the first half of the new fiscal year were $842 million, an increase of 6% from $795 million for the same period a year ago. Sales in the first half of 1982 were $12.66 billion, down 3% from $13.04 billion for the 1981 period. A "highly polarized business environment" was cited as the cause.

GE underwent a major internal reorganization in 1981. John F. Welch Jr. became the new chairman in April, 1981, and began instituting changes in September. Commenting on the restructuring of GE in the company's annual report, Mr. Welch said, "the result will be an organization more high-spirited, more adaptable and more agile than companies a fraction of our size."

From the sector realignment, its first since the system was established in 1977, emerged the new technical systems, services and materials, power systems, industrial products and aircraft engine sector.

The consumer products sector, constituting $6.6 billion or 23% of total revenues, continued to be the most significant sector for large advertising outlays. Earnings, however, dropped by $20 million for the sector. The higher 1981 revenues were achieved essentially by flat volume, but the lower earnings reflected difficult economic conditions, the company said. This included a 35-year low in residential construction, and GE's commitment to maintain its level of investment in product and manufacturing technology. While GE increased its advertising budget, it reduced the number of products that received $1 million or more in spending. GE's most heavily advertised products last year were: Microwave ovens, which received $10 million in support; dishwashers, $4.5 million; home light bulbs, $3.3 million; ranges, $3.2 million; and refrigerator-freezers, $1.5 million. The company spent an additional $21.5 million on multiproduct advertising.

In addition, GE spent some $1.2 million to promote its General Electric Credit Corp. financial services and an additional $1.2 million to advertise its three am and five fm radio stations.

Spending on such products as its color televisions dropped from $2.6 million in 1980 to less than $1 million in 1981. Also, advertising for the GE Coffeemaker fell from $2.6 million in 1980 to slightly less than $1 million last year. GE's housewares segment reported increased sales primarily through products such as the GE-pioneered Light 'N Easy plastic frame iron.

Sales of television and video products were higher in 1981, although earnings declined due to increased costs and expenditures for future growth.

GE currently operates three VHF tv stations, three am and five fm radio stations and 13 cablevision systems. Its broadcasting and cablevision business had record sales and earnings with GE television stations providing substantial increases in news coverage, local programing and other community services

In May, GE asked the Federal Communications Commission to allocate a portion of the radio spectrum for new consumer-oriented mobile communications service. The system, which would be used in motor vehicles and have a range of up to 15 miles from home, would permit the caller to dial other telephone numbers directly, a feature not generally available now.

GE estimated that the price for equipment that would permit the user to call within a range of less than five miles from home would be approximately $400. Customers would have the option of subscribing to a repeater station that would extend the range to 15 miles.

Major appliance sales were slightly ahead of 1980, as a result of a number of new product introductions. Among these were GE's Model 2500 electronic dishwasher. Over-all, GE's dishwashers received approximately $4.4 million in advertising support.

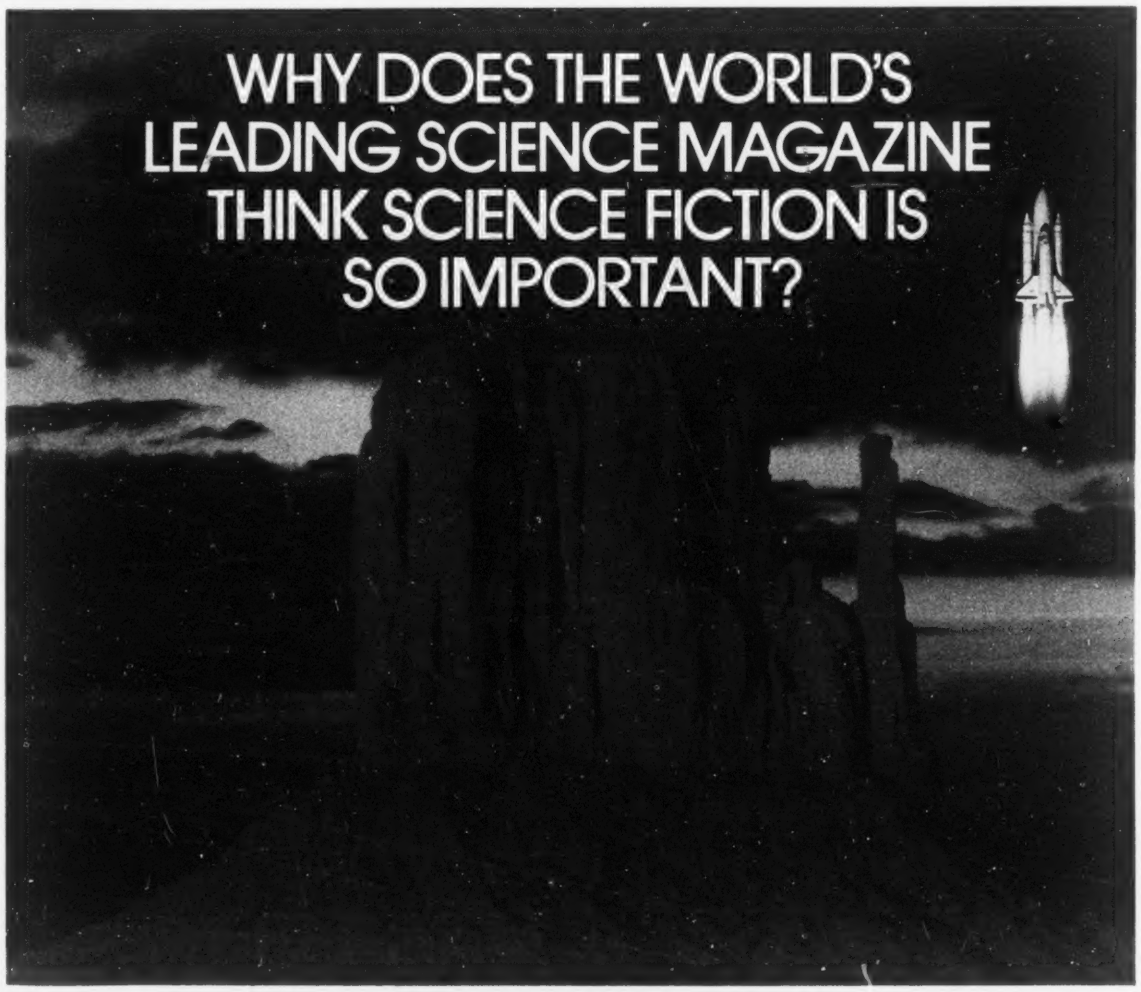
Lighting products also added to the company's higher sales and earnings. Advertising for home light bulbs totaled some $3.2 million.

Energy-efficient Watt-Miser fluorescents and Lucalox high-intensity discharge lamps were credited with aiding the segment's higher results.

New from GE is its Optimiser fluorescent lighting system, which, according to the company, uses 34% less energy than standard fluorescents.

The company's Halarc light bulb, which began home testing in 1979 and was introduced nationally in 1981, has not met GE's expectations. The reason has been partially attributed to its $10 price tag. With increased consumer education and rising energy costs, GE hopes to spark renewed interest in the product. The Halarc lamp is said to use one-third as much electricity and last much longer than conventional bulbs.

The earnings for its air conditioning products were substan-



BECAUSE OF
MEN LIKE CYRANO DE BERGERAC.

"I MIGHT CONSTRUCT A ROCKET, IN THE FORM OF A HUGE LOCUST, DRIVEN BY IMPULSES OF VILLAINOUS SALT PETRE FROM THE REAR, UPWARDS BY LEAPS AND BOUNDS . . ."
—CYRANO DE BERGERAC, 1640

OMNI Magazine recognizes that science is not just the province of scientists, but of all thinking men and women. That's why a man like Cyrano de Bergerac, who was not a scientist but a renowned swordsman and scholar, could envision the rocket over three centuries before Man made his initial venture into the frontiers of space. He was a man of vision and imagination, the most basic elements of science. In his day, they called his work wild speculation, fiction. Today, we would call it prophetic.

Which is why OMNI feels that science fiction is as much a part of science as are laboratories and textbooks . . . and why every month, more than 5.4 million OMNI readers (MRI 1982) have come to see the full scope of today's science—and tomorrow's. Join us on the New Frontier. OMNI Magazine. It will change the face of science journalism forever.

OMNI
THE ORIGINAL

tially improved and sales increased because of the continuing strength of the domestic replacement market and strong export sales which offset the depressed residential construction market. GE began shipments of its electronically-controlled two-speed Weathertron heat pump in 1981.

The new technical systems sector reported revenues of $3.9 billion, an increase of 22% over 1980. Net earnings declined to $98 million from $105 million in 1980. Lower earnings, as in previous years, were attributed to product development and acquisition costs.

With plans to enter and acquire leadership in the emerging factory-automation market, GE acquired Calma Co., and Intersil Inc. in 1981. Calma is involved in computer-aided design and manufacturing (CAD/CAC) and Intersil, a manufacturer of integrated circuits, is expected to help GE capture as much as 20% of the estimated $500 million robot market by 1986, according to the company.

In a licensing agreement with DEA of Italy, Hitachi Ltd. of Japan and more recently with Volkswagenwerk A.G. of West Germany, GE has thrust itself into robot technology. The company currently has some 200 robots in operation, performing tasks from assembly to unloading plastic parts. To further the development of this technology, the Optomation II Instrument System will be giving electronic "sight" to robots and other devices.

Aerospace sales and earnings, as well as those of medical systems, were well ahead of 1980.

In 1981, GE introduced its new CT9800 scanner and also the digital Fluorican 3000 X-ray system. Both products will now enable many patients to avoid exploratory surgery.

In the newly reorganized industrial products sector, revenues and earnings improved despite depressed U.S. residential and industrial construction. Revenues totaled $4.8 billion or 17% of total GE revenues. Earnings increased from $225 million in 1980 to $242 million last year.

With improving U.S. railroad business, due to deregulation, mergers and increased fuel efficiency, GE anticipates a growth in its locomotive business, both diesel-electric and electric, and other transit vehicles. In 1981, GE expanded production at its locomotive facilities in Erie, Pa.

In 1980, GE negotiated the largest contract for locomotives in the company's history. The contract with National Railways of Mexico calls for delivery of 60 to 100 locomotives or their component sets each year through 1990.

General Electric Supply Co. (GESCO) provided improved distribution services during 1981 with the installation of a real-time order entry system, capable of searching all of its inventory stocking locations for products needed by its customers.

The natural resources sector reported that revenues and earnings were substantially greater than in any previous year. The increases were primarily attributed to its affiliate, Utah International, a leading supplier of natural resources worldwide.

About 77% of 1981 revenues, totaling $1.7 billion, came from outside the U.S. and of its net earnings of $284 million, 52% came from abroad.

Lower sales and earnings in 1981 from copper were tied to the depressed worldwide price for the mineral.

The new services and materials sector, including the General Electric Credit Corp. (GECC), reported revenues of $2.5 billion for 1981 with net income of $38.2 million.

GECC, GE's consumer, commercial and industrial finance affiliate, under the Economic Tax Recovery Act of 1981 took part in tax-leasing transactions. The cost of the leased equipment was $1.9 billion, profits from which will accrue over a period of several years.

GECC ranks as the largest U.S. diversified financial company. It is the largest nonmanufacturing company in equipment financing and leasing. It handles leasing activities ranging from computers to supertankers.

The international sector reported $10.1 billion in revenues from outside the U.S., with net earnings of $57 million. Revenues from international sources totaled 37% of all GE's revenues and 35% of its net earnings. This represented a decline of 1% and 7%, respectively, over 1980.

GE's international business is made up of four broad categories—foreign multi-industry operations; U.S. exports of GE products and services; operations of nondiversified foreign affiliates, including the foreign operations of Utah International, and technology licensing revenues.

The aircraft engine sector provided GE with $2.9 billion in revenues and $149 million in earnings during 1981. Revenues and earnings were higher due to increased volume of military aircraft engines as commercial shipments decreased.

The restructured power system sector generated $5.9 billion, or 21% of GE's total revenues. Earnings totaled $224 million, an increase of $23 million over 1980. The higher earnings were attributed to modest revenue growth and higher productivity. Sales and earnings were well above 1980 for steam turbine generators and equipment and construction and engineering services. More modest profits resulted from GE's power-delivery and transformer businesses and also from the nuclear power business.

GE's backlog for all types of nuclear products was $3.6 billion at the end of 1981 compared with $5.5 billion in 1980, primarily due to projects scratched from production. The future of the domestic nuclear steam supply systems market is uncertain.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$10,065,400	$12,132,400
Magazines	19,164,400	16,452,100

Auto mobile
MOVIES
TOBACCO
COLOR T.V.
SOAP
TRAVEL
Chicken Dinner
FROZEN FOODS

ALMOST EVERYTHING COMES TO SAN DIEGO FROM LOS ANGELES.
EXCEPT OUR NEWSPAPER.

THE BIGGEST PLUS IN SOUTHERN CALIFORNIA.

You've always suspected that Southern California is a little, well, different than most of the country. And you're right.

It's not the Los Angeles ADI which pulls all the consumers of Southern California together to form the number one market, but the sheer enormity of L.A.'s more or less isolated distribution system.

In short, if you want your advertising to go where your product goes, you need a basic L.A. newspaper buy—plus at least the next largest city.

That big plus is San Diego: second largest city in all 11 western states. A metropolitan area that's home to nearly 2 million consumers with almost 16 billion dollars to spend on your product—if only you tell them about it in the San Diego Union and The Tribune. The newspaper with more than seven times the penetration of any paper that happens to trickle down over a hundred miles from L.A.

For more information, write or call Dick Applegate, National Advertising Manager, Union/Tribune Publishing Co., P.O. Box 191, San Diego, California 92112. (714) 299-3131. Or contact our national representatives at Sawyer-Ferguson-Walker.

The San Diego Union
The Tribune

San Diego: The biggest plus in Southern California

Spot tv	8,647,300	8,395,600
Network tv	29,998,500	32,966,890
Spot radio	1,938,500	1,410,400
Network radio	2,618,200	2,765,100
Outdoor	214,900	159,900
Total measured	72,749,500	74,296,500
Unmeasured	91,946,500	81,900,000
Estimated total	164,696,300	156,196,300

GENERAL ELECTRIC CO.

CORPORATE MARKETING PERSONNEL

Leonard Vickers, vp-corp mktg
Karl L. Koss, mgr-corp adv
H.M. Snider, project mgr
R.E. Pulver, mgr-corp industrial adv
E.J. Clark, mgr-educational communications programs
A.C. Walker, media coordination

CONSUMER PRODUCTS SECTOR

MARKETING PERSONNEL

R. Williams, sector exec for mktg operations
R.A. Costello, mgr-consumer mktg
W.D. Rayer, mgr-lamp prods
W.J. Wagner, mgr-c&i lamp prodsV. Alcott, mgr-major appliances
W.L. Courtney, mgr-housewares
N.R. Huey, mgr-audio electronics
P. Gariti, mgr-video prods
[illegible]. Brown, mgr-central air conditioning

ADVERTISING AGENCIES

BBDO, New York—corp brand image, housewares & audio—F. Perkins, exec vp.

Lawler, Ballard Advertising, Norfolk, Va.—tv trade adv—H. Austin, vp-genl mgr.

Meldrum & Fewsmith, Cleveland—commercial & indust lighting—J.A. Mahoney, vp-acct group super.

Hesselbart & Mitten, Akron, Ohio—consumer trade & interior lighting dept—W.C. Waldman, senior vp.

Symon, Thomas & Hilliard, New York—Hotpoint—N. Sprangers, senior vp.

General Foods Corp.

	1981	1980
ales*	$8,351,100,000	$6,601,300,000
arnings*	200,207,000	255,366,000
dvertising**	456,800,000	410,000,000

*Fiscal years ended April 3, 1982, and March 28, 1981.

*AA estimate

General Foods Corp., White lains, N.Y., the third largest national advertiser, raised its advertising 11.4% to an estinated $456.8 million in 1981, reecting an expansion of the ompany's base, primarily rough the acquisition of Oscar layer & Co. and the introducon of a few heavily backed oducts.

Worldwide, GF spent $486.3 million, a 10.7% increase, due mainly to the expansion of its offee business with Maxwell House Master Blend increased-up-yield coffee. GF's worldwide ales increased 26.5% to $8.35 billion, Oscar Mayer sales accounting for most of the increase with the balance coming from volume gains in GF's established businesses.

But worldwide earnings dropped 21.5% to $200.2 million after GF wrote off $1.20 per share because it decided to sell all its U.S. restaurant operations and restructure or sell certain overseas businesses.

For the first quarter of fiscal 1983 ended July 3, GF reported sales of $2.06 billion, virtually the same as a year ago. Earnings rose 25% to $61.5 million.

Analysts believe there is a bright future for GF's packaged convenience food lines. And they emphasize that new president-chief operating officer Philip Smith's initiatives to keep marketing money for only the best new product ideas and to trim the company's research department will boost earnings in the future.

GF has staked over $20 million in marketing funds on Jell-O Pudding Pops, a frozen dessert on a stick that rolled nationally this spring. If the frozen novelty catches on, it will be the company's first successful big new product in years. But GF officials say future development efforts will move toward the creation of whole new businesses, rather than single products. As Mr. Smith said following the Oscar Mayer merger, "We would never have tried to develop a better hot dog. We're better off going out to buy a hot dog and luncheon meat company."

During fiscal 1982, GF's three product segments, excluding the processed meat category gained in the Oscar Mayer buy, showed an average 12.7% gain in sales.

The package convenience foods segment, generating 39.8% of GF's total sales, advanced its sales 8.7% to $3.3 billion on U.S. volume gains and higher selling prices. Package convenience foods were the only GF segment to post an earnings gain. GF credited the increased earnings to improved margins and volume increases on several products.

Grocery coffee held large shares—34% of the regular coffee market and 46.5% of the instant market—of the $4.2 billion U.S. market and accounted for 30.4% of corporate sales. Coffee sales, however, dropped 6.2% on lower selling prices to $2.5 billion after a 9% jump from fiscal 1980 to 1981. Fiscal 1982 earnings of the coffee segment dropped on lower margins from declining coffee prices and increased marketing expenditures. The marketing money went mainly to push the Master Blend brand.

Foodservice and other, a category that supplies industrial and processed meat products and coffee to all kinds of foodserving organizations, had the biggest sales jump of the three, moving up 35% to $1.1 billion primarily because of the inclusion of Oscar Mayer foodservice. The segment, which will work in foodservice and industrial products only after GF completes its planned divestiture of its restaurant businesses, accounted for 13.3% of GF's corporate sales. Foodservice held a little over 5% of that $20 billion market.

Earnings in the foodservice segment declined because of low earnings on industrial products like coconut, which faced what GF called "intensive competitive pricing pressures."

Processed meat sales, at $1.3 billion in fiscal 1982, accounted for 16.2% of GF's corporate sales. Although the segment did not exist within GF last year, sales did rise when compared to the same period for Oscar Mayer the year before.

Of its $367.5 million in measured media spending, General Foods spent more than $21 million on its Maxwell House coffees. More than $18 million went to the new Master Blend, which garnered a 5% share of the regular coffee market and is currently running above that, according to an April report by John C. Maxwell Jr. of Lehman Bros. Kuhn Loeb.

GF increased its share in both regular and instant coffees, with Maxwell House in 1981 grabbing a 20.2% share of the regular coffee market that trailed only Procter & Gamble's Folger's at 24%. GF's Maxwell House and Sanka brands led the instant coffee market with 22.3% and 11.1% shares, respectively. Sanka got $17.3 million in measured media spending, $11.4 million of that going to network tv, according to Leading National Advertisers.

GF backed its Post Grape-Nuts cereal with over $12.6 million in measured media spending, of which $9.5 million went to network tv. Grape-Nuts in 1981 had the second-largest market share—2.6%, up from 2.4% in 1980—of all the company's cereals. It trailed Post Raisin Bran's 3.2% share, although Raisin Bran's share was down half a percentage point from 1980. Raisin Bran got $9.8 million in measured media support, nearly $9 million of which went to network tv. GF's cereals together held 15% of the $3 billion cold cereal market in 1981, the same share it had in 1980.

Stove Top stuffing mix received $11.7 million in measured media support, $8.9 million going to network tv.

Of its nine pet food brands, GF gave the most measured media support to Gravy Train with more than $11.5 million. Gravy Train responded well, moving its share of the dry dog food category up to 6% in 1981 from 4.7% in 1980.

GF backed Gainesburgers with nearly $10.8 million in measured media support, and the product continued its lead of the semimoist dog food category with a 25.9% share, up from 24.1% in 1980 although retail sales dropped 2.7%. The sales drop for Gainesburgers, however, survived the deeper slide of the entire semimoist category, which fell off 9.6%.

GF pet foods held an 8.8% share of the $4.37 billion market, down one-tenth of a percentage point from 1980. But in March the company cut its advertising and promotional budget for pet foods from $40 million to $23 million and dropped one of three ad agencies handling the division's products. Reports circulated all year that the pet foods operation was for sale, but GF repeatedly denied them. The ad budget cut was part of a plan for the division to focus on profits instead of volume, GF officials said.

Tang instant breakfast drink got $11.3 million in measured media support, and GF reported that product improvements and repositioning turned around the beverage mix's sales.

GF also backed Kool-Aid heavily, giving Kool-Aid unsweetened drink mix $11.3 million and Kool-Aid presweetened $10.8 million in measured media support. Kool-Aid volumes and earnings reached record levels, GF reported.

General Foods International instant coffees got $10 million in measured media support, and the company said the International coffees' volume "increased markedly."

Of the company's over $367 million in total measured media spending, 64.8%—more than $238 million—went to network tv. Spot tv got $84 million; magazines, $37.2 million; network radio, $5.6 million; newspaper supplements, $2.4 million, and outdoor, $12,000.

GF was testing several new products in early 1982, among them a dairy formula for Cool Whip and several sugar-free beverage products made with G.D. Searle & Co.'s recently approved NutraSweet artificial sweetener. Also in test markets were a Cafe Amaretto flavor for International coffee; Strawberry Honeycomb, Honey Nut Crunch, Raisin Bran and Wishing Stars cereals, and Jell-O Gelatin Pops, a frozen whipped-gelatin dessert on a stick designed to follow Pudding Pops.

The company said it will be more selective about its development projects in the future. "By focusing sharply on the best ideas, assigning good people to them and giving them the required financial support, we believe we will improve our chances for success," GF said in its fiscal 1982 annual report.

As if to demonstrate, GF early this year stopped test marketing on Lean Strips textured protein strips, a product it gave almost $2.3 million in measured media support in 1981. "The additional investment necessary would not have been prudent," the company reported.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$6,175,800	$9,712,709
Magazines	37,165,200	34,170,100
Spot tv	84,034,900	83,436,100
Network tv	238,297,900	201,488,400
Spot radio	5,422,500	5,475,400
Network radio	5,582,000	4,194,300
Outdoor	12,000	242,000
Total measured	377,690,400	338,717,000
Unmeasured	79,109,600	71,283,000
Estimated total	456,800,000	410,000,000

GENERAL FOODS CORP.

MARKETING PERSONNEL

James L. Ferguson, chairman-ceo
Philip L. Smith, president-ceo
E.R. Shames, exec vp/president-GF Intl operations
D.J. Keller, exec vp/president-packaged convenience foods
J.M. Keenan, corp group vp/president-GF Europe
K.E. Fulton, corp vp/group exec vp-sales
R.E. Haynes, creative services director
D.K. Brown, media services director
W. Shaw, promo services director

MAXWELL HOUSE DIVISION

MARKETING PERSONNEL

R.L. Seelert, GF group vp/president-coffee & food service
S.B. Morris, genl mgr
C.R. Hummel, director-long range planning
J.W. Johnson, category mgr-segmented brands
D.J. Gustin, category mgr-Maxwell House
C.A. Phillips, category mgr-modified coffees
J.P. Morrissy, director-external affairs
L. Nelson, natl sales mgr

ADVERTISING AGENCIES

Young & Rubicam, New York—Sanka—Jane Brite, mgmt super; Ann Zopfi, acct super; GF International Coffees—Dave Cramoy, mgmt super; Barbara Jack, acct super.

Ogilvy & Mather, New York—Maxwell House brands—Mary Lou Pritchett, vp-mgmt super.

Benton & Bowles, New York—Brim, Yuban—Barry Webster, mgmt super.

Ted Bates Advertising, New York—Maxim, Mellow Roast—Hal Pearson, senior vp-mgmt super and mgmt rep; Lucy Kennedy, acct super.

PACKAGED CONVENIENCE FOODS

Business Divisions

W.F. Dordelman, group vp-packaged convenience foods business divisions

BIRDS EYE AGRICULTURAL PRODUCTS DIVISION

MARKETING PERSONNEL

E.R. Fencl, genl mgr
S.B. Torgersen, asst genl mgr
N.J. Kelly, mktg mgr
P. Goold, sales mgr

ADVERTISING AGENCY

Young & Rubicam, New York—Birds Eye Vegetables, Quick Thaw Fruits—Ed Comiskey, mgmt super; Richard Bodge, acct super.

BEVERAGE DIVISION

MARKETING PERSONNEL

R. Sansone, GF vp-genl mgr
J.S. Cunningham, mktg mgr
R. Wesolowski, sales mgr

ADVERTISING AGENCIES

Young & Rubicam, New York—Tang, Awake, Postum—William Green, mgmt super; Tim Pollak, acct super.

Ogilvy & Mather, New York—Country Time—Brendan Ryan, senior vp-group director; Ed Vick, vp-mgmt super.

Benton & Bowles, New York—Orange Plus—Barry Webster, mgmt super.

Grey Advertising, New York—Kool-Aid—Hunter Yager, exec vp-mgmt rep; Malcolm Mace, Carol Herman, mgmt supers.

BREAKFAST FOODS DIVISION

MARKETING PERSONNEL

W.H. Korab, genl mgr
T. Herskovits, mktg mgr-cereals
D.J. Edstrom, sales mgr

ADVERTISING AGENCIES

Ogilvy & Mather, New York—Alpha Bits, Pebbles, Super Sugar Crisp, Post Frosted Rice Krinkles, Post Tens, Post Treat Pak, new prods—Brendan Ryan, senior vp-group director.

Grey Advertising, New York—Post Raisin Bran, C.W. Post Family Style cereals, Grape-Nuts, Honeycomb, Grape-Nuts Flakes, Fortified Oat Flakes, Strawberry Honeycomb—Richard F. O'Brien, exec vp-mgmt rep; Milt Weinstock, vp-mgmt super.

Ted Bates Advertising, New York—Log Cabin—Hal Pearson, senior vp-mgmt super and mgmt rep; Michael Passet, acct super.

DESSERTS DIVISION

MARKETING PERSONNEL

D.P. Rosow, genl mgr
T.G. Dizcy, mktg mgr
E.H. Reynolds Jr., sales mgr

ADVERTISING AGENCIES

Young & Rubicam, New York—Jell-O cheesecake mix, Jell-O pudding and gelatin pops, Jell-O puddings and pie fillings, Jell-O Instant Pudding, Jell-O Americana desserts—Mathew Crisci, mgmt super; Jim Hood, Joe Tilly and Phil Asche, acct supers.

Benton & Bowles, New York—Cool Whip, Jell-O gelatin—Norman Sherman, mgmt super.

Grey Advertising, New York—Baker's Chocolate, Baker's Coconut, D-Zerta, Dream Whip, Minute Tapioca, Calumet, Certo, Sure-Jell—Hunter Yager, exec vp-mgmt rep; Jack Frantz, senior vp-mgmt rep; Jerry Zaret, vp-mgmt super.

MAIN MEAL DIVISION

MARKETING PERSONNEL

C.J. Bowen, genl mgr
L.D. Juliber, mktg mgr
J.P. Ciccatelli, sales mgr

ADVERTISING AGENCIES

Ogilvy & Mather, New York—Shake 'n Bake, Shake 'n Bake Barbecue seasoned coating mixes, Open Pit—John Blaney, vp-group director.

Grey Advertising, New York—Minute Rice, Minute Rice Mixes, Stove Top Stuffing Mix, Oven Fry coating—Hunter Yager, exec vp-mgmt rep; Jack Frantz, senior vp-mgmt rep; G. Thomas Ayderlotte, vp-mgmt super.

Ted Bates Advertising, New York—Good Seasons salad dressing mixes—Hal Pearson, senior vp-mgmt super and mgmt rep; Michael Passet, acct super.

PET FOODS DIVISION

MARKETING PERSONNEL

R.L. Cobb, GF group vp-group exec-genl mgr
R.G. Viault, mktg mgr
G.W. Cook, natl sales mgr

ADVERTISING AGENCIES

Young & Rubicam, New York—Gaines Burgers, Top Choice, Puppy Choice, Prime Variety—Jane Brite, mgmt super; Ken Robinson, acct super.

Benton & Bowles, New York—Gaines Professional Services, Gravy Train, Cycle, Gaines dry dog food—John Boyd, mgmt super.

FOOD SERVICE DIVISION

MARKETING PERSONNEL

B.G. Laragh, GF vp-div president
E.S. Caso, operating & logistics director
A.R. Plasche, mktg & devel director

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B.R. Bramen, natl sales mgr

ADVERTISING AGENCIES

Ketchum Communications, New York—Walter Kaprielian, president; Thomas Miller, exec vp; Donald Burkett, acct super.

Young & Rubicam, New York—Larry Shapiro, group director.

OSCAR MAYER FOODS CORP.

MARKETING PERSONNEL

J.M. Hiegel, GF exec vp/president-Oscar Mayer

ADVERTISING AGENCIES

J. Walter Thompson, USA, Chicago—all lines except Louis Rich brands—John Furr, senior vp-group acct director; Tom Goettsche, vp-acct director; Rich Anderson, vp-senior acct super; Bill Minor, acct super; Jody Solomon, Steve Swanson and Steve Weiss, acct reps; Cory Block, asst acct rep.

Tatham-Laird & Kutner, Chicago—Louis Rich brands—Thomas Schafer, Linda Garrison, mgmt supers; Ed Steffes, Rawdon Parry, acct supers; Joe Dollens, Dick Salyer, acct execs.

GF INTERNATIONAL

MARKETING PERSONNEL

E.R. Shames, GF exec vp

G.D. Wollert, president-Asia/Pacific operations

J. Whitcomb, GF vp/president-intl mktg, mkt development and administration

R.S. Hurlburt, GF vp/president-GF Ltd. (Canada)

D.A. Smith, GF vp/president-GF Latin American operations

J.M. Keenan, GF vp/president-GF Europe operations

General Mills

	1981	1980
Sales*	$5,312,100,000	$4,852,400,000
Earnings*	225,500,000	196,600,000
Advertising**	207,306,100	171,114,790

*Fiscal year ends May 30

**AA estimate

General Mills, the nation's 19th largest national advertiser, boosted ad spending for calendar 1981 some 21% to $207.3 million, up from $171.1 million in 1980.

The company finished fiscal 1982 with earnings of $225.5 million, up from $196.6 million in 1981, on sales of $5.31 billion, up from $4.85 billion.

The company's results reflected the disposition of several companies, including GoodMark Foods (and its Slim Jim brand), the Lord Jeff Knitting Co. men's apparel line, and Regal Toys, a division of the Canadian toy operations and two pending sales—Bowers & Ruddy rare coins and Harris Stamp Co. General Mills this summer announced its intention to sell or license the technology and research facility of its Kitchen Harvest hydroponics unit. The company said early test marketing indicated consumer interest but that other areas of new product development promise better returns.

General Mills celebrated the Federal Trade Commission decision in November to scrap the 10-year-old shared monopoly cereal case aimed at breaking up the big three cereal companies.

Big G cereals grabbed an estimated 23% of the ready-to-eat cereal market during the past year, led by Cheerios—the second-largest selling cereal in the country with a 5.9% dollar share of the market, up from about 5.3% last year. The brand was backed by an approximate $9.7 million in advertising in 1981, a 19.5% increase from 1980, and a new "You made Cheerios No. 1" campaign theme. Honey Nut Cheerios' market share grew to 2.3% of the cereal market with no significant change in the $4.8 million ad budget.

The company began 1981 by moving the $5.5 million Wheaties account to NH&S/USA, Chicago, after a lengthy stint at Dancer Fitzgerald Sample, New York. Ad spending for the brand was increased a whopping 81%, to $4.1 million, during 1981, as NH&S' new "Eaties for Wheaties" campaign broke in late summer. The heavy spending failed to affect the brand's performance, however; Wheaties maintained the estimated 2% dollar share of the cereal market it held last year.

Likewise, General Mills hiked ad spending for Buc*Wheats cereal to about $5.4 million, from only $605,400 in 1980, but the brand retained its earlier 0.5% market share.

Donutz powdered sugar cereal, rolled out last spring, captured about 0.5% of the cereal market, supported by an introductory budget of approximately $2 million. This summer, General Mills introduced chocolate flavor Donutz nationally with network tv, Sunday inserts and couponing.

Spending for Crispy Wheats 'n Raisins, introduced in 1980 with an $8.6 million budget, dropped to about $7 million last year while its dollar market share increased to 1.4% from 1.3%. Body Buddies, still nationally marketed, received virtually no advertising support, after getting more than $6 million last year. The company said sales volume does not warrant advertising expenditures.

General Mills got a major challenge to its control of the granola snack market with Quaker's introduction of Chewy granola bars in East and West Coast markets. But the company kept its firm lead in the category, after Quaker was forced to pull out of eastern markets because of supply problems. Meanwhile, General Mills spent about $10 million to promote the Nature Valley line, extended during the past year with the rollouts of Light & Crunchy granola snacks and Granola & Fruit Bars, and Granola Crisp, a three-item line of light bars, testing in Portland, Ore., and other markets.

Also being marketed at foodservice outlets are Nature Valley Snacks, portion-controlled packages of trail mix, granola mix, Fruit 'n Nut mix and individually wrapped granola bars.

The Gorton frozen seafood unit received $1.4 million in ad spending during the year, up some 65%, although the line's market share dropped about 1% to 20%.

Yoplait yogurt increased its market share in the $525 million yogurt category to about 16%, up 3% over last year, as the brand completed national rollout. The brand's No. 2 position in the category behind Dannon spurred General Mills to enter a six-item line of Yoplait Custard Style yogurt in West Coast markets last fall. The new line was rolled into additional markets this spring. Yoplait ad spending increased 48% to $4.3 million during 1981.

Betty Crocker dessert mixes held on to about 32% of the $756 million category, down from a share of 36% last year, as Duncan Hines had the lead with 35% of the market.

Big Batch cookie mixes, floundering in the wake of a Duncan Hines entry late last year, were virtually ignored in advertising, as measured spending dropped 97% to less than $10,000.

SuperMoist cake mix, with a 26% share of the layer cake market, was backed with a $3.6 million drive, up from $3.0 million in 1980, while spending for Creamy Deluxe frostings jumped 31% to $3.2 million. Last fall, the company beat its competition to the national market with a chocolate chip cake mix, and its ready-to-spread chocolate chip frosting was the first on the market.

Spending for Snackin' Cake mixes dropped to about $600,000 from $1.6 million last year, and Stir 'n Frost cake mixes received only $722,000, a 68% decline in spending. But the company backed the introduction of Stir 'n Streusel cake mix with about $504,000.

The Bisquick baking mix line, with about $100 million in sales, got a 56% hike in spending—to $2.3 million—for the buttermilk item.

Other Betty Crocker items with spending increases during the year were muffin mixes, up 70% and brownie mixes, up 117%, though both still received less than $400,000. Wild blueberry, tart cherry and apple cinnamon muffin mixes were promoted during the year with on-pack cardboard doll tie-ins with American Greetings' Strawberryland characters.

The company last summer introduced Supreme Golden brownie mix with brown sugar, chocolate chips and pudding, backed by advertising in women's magazines.

Betty Crocker packaged potato dishes received only $2.9 million in ad spending during the year, compared to $4.5 million the year before, but the company introduced nationally a new flavor—hickory smoked cheese potatoes—and entered two other side dish mixes—four varieties of International Noodles and three flavors of Saucy Oven Rice—into Marion, Ind., tests this spring under the Betty Crocker label. Also in test in Marion are four styles of Cookbook Chicken.

Chef Saluto frozen pizza, ranking fourth in the category behind Totino's, Jeno's and Celeste, received about 65% more advertising during 1981, up to $2.1 million. The brand, marketed nationally, had decreased volume, although it had a slight share increase over the year.

The restaurant group, ranking fifth in total sales among the nation's restaurant chains, showed increased profits and sales during fiscal 1982, with earnings of $79.2 million and sales of $839.4 million, but 1982 results were affected by a severe winter, particularly in the Midwest, which hurt the over-all restaurant category. Continued expansion of the restaurant group made it one of the two major cash users (along with specialty retailing) at General Mills during the year; the company added 61 restaurant units during the fiscal year.

Red Lobster Inns, General Mills' largest chain with 328 units, is considered the leading dinner house chain in the country. Joe Lee, exec vp for the restaurant group, said the company had embarked on a strategy to reposition Red Lobster "before it got sick." New menu items, including foods such as shrimp in lighter oriental breading and more steamed and broiler items, have been added, and the units have been redesigned. The chain is growing at about 30 units a year, mostly in existing markets, according to Mr. Lee. The company continued its successful campaign, "For the seafood lover in you," and hiked calendar 1981 ad spending 43%, to $24.6 million. The company is working with Jusco Ltd., a Japanese retailer, in a Red Lobster joint venture in Japan.

The 139 York Steak House units are being repositioned with a new ad campaign, "Good steak and a whole lot more," an expanded menu, including non-beef items, and new interior designs. Ad spending during calendar 1981 jumped 69% to $2.6 million for York.

The company added eight new Casa Gallardo Mexican restaurants to the existing two during fiscal 1981, and expanded the chain with two additional units in 1982. Mr. Lee considers the chain "properly positioned in this fastest growing segment" of the restaurant industry, and plans further expansion in large urban areas in the central and southern U.S.

Darryl's, with a total of 18 units, is positioned as an atmosphere specialty concept, and is being expanded from its Carolinas base through the Sunbelt. The Good Earth chain, with 11 company-owned and 14 franchised units, is being expanded with company-owned units, including test units on the East Coast. The company is intent on refining the concept of the chain, which will involve, in part, new store designs.

General Mills' toy group moved into a new category earlier this year when its Parker Bros. unit introduced a videogame "The Empire Strikes Back" and "Frogger," at the American Toy Fair in New York. Parker Bros. also introduced an electronic accessory to Monopoly. The company's heavy use of licensed characters such as Strawberry Shortcake, and "Star Wars" and "Empire Strikes Back" movies—particularly in its Kenner Products unit—gave the group a record $79.2 million in profits during fiscal 1981, though economic conditions inhibited growth in electronic games and toys. Company chairman H. Brewster Atwater said General Mills experienced the falloff in hand-held electronics "with a minimal amount of pain" because of its small selection of such offerings.

Ad spending for Parker Bros. declined 15% to $13.2 million in calendar 1981, with almost no spending for the electronic games. Kenner Products, however, received a 26% hike in spending, to $22.5 million. During calendar 1982, Kenner is expected to spend $10 million on "Star Wars" toys advertising alone, including a fall effort pegged to the third "Star Wars" sequel, "Revenge of the Jedi." Kenner and General Mills' Fundimensions unit also will be using the popular "Raiders of the Lost Ark" movie as themes for new toys.

Dancer Fitzgerald Sample took on additional assignments for the worldwide and domestic toy business. DFS, New York, added the $12 million MAD division account, Parker Bros.' $2 million Canadian account formerly at Vickers & Benson, Toronto, and the $1.5 million Fundimensions account, previously at W.B. Doner & Co., while the London office split the $10 million European toy account with Foote, Cone & Belding.

The fashion group made headway into improved profitability with a 16.2% increase in earnings, to $101.7 million on sales of $657.3 million. After years of struggling, the Ship 'n Shore unit returned to profitability, though the David Crystal and Izod/LaCoste apparel lines had lower results than last year. Foot-Joy experienced increased earnings, while the Monet jewelry line earned about the same as in 1981.

The specialty retailing group, acknowledged by Mr. Atwater as "our weakest segment—the place we're really struggling," finished fiscal 1982 with less than half the earnings—$5.5 million—of 1981, despite sales growth of 19.6%. But earlier this year, General Mills divested two of the more unprofitable segments: The coin and stamp collectibles operations.

Some analysts expect Wallpapers to Go, "the worst segment of specialty retailing," according to Mr. Atwater, to be divested in the near future, although Mr. Atwater in February defended the operation, saying its poor performance is related to the sagging housing industry, and that the company is experimenting with "an array of ways to build wallpaper use in existing houses." The company's patience "is nothing infinite," he said, but General Mills "is willing to let it evolve for a while." Ad spending for Wallpapers to Go for calendar 1981 jumped 62% to $2.5 million.

Eddie Bauer and The Talbots, the group's two major profit centers, had increased earnings. LeeWards spent $1.1 million in advertising during calendar 1981, compared with only $300,000 the year before.

Among the major personnel changes at the company was the naming of Mr. Atwater as chairman in addition to his previous post of chief executive officer, succeeding E. Robert Kinney, who retired in January. David Mauer was named to the new post of exec vp-marketing and marketing services for Kenner Products; John Waters was named vp-marketing for the restaurant group, a new title.

Harold H. Nitch was named media services director succeeding Robert Bodeau, who left the company, and Lon Bencini was named manager of broadcast media succeeding Mr. Nitch; Chuck Weil succeeded Fletcher Waller Jr. as vp-marketing services division-domestic consumer foods.

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ADVERTISING EXPENDITURES

	1981	1980
Newspapers......	$4,522,600	$3,414,000
Magazines.......	14,810,100	14,846,800
Spot tv...........	83,036,100	65,464,100
Network tv.......	86,408,500	75,751,000
Spot radio........	4,966,200	1,126,100
Network radio...	1,409,400	355,200
Outdoor..........	87,400	85,500
Total measured	195,240,300	161,142,700
Unmeasured...	12,065,800	9,972,090
Estimated total.	207,306,100	171,114,790

MARKETING PERSONNEL

Donald F. Swanson, vice-chairman-restaurants & consumer nonfoods
F. Caleb Blodgett, vice-chairman-consumer foods
Walter R. Barry, exec vp-consumer foods
Arthur Schulze, exec vp-consumer foods
Preston Townley, exec vp-consumer foods
Jane Evans, exec vp-fashion group
James G. Fifield, exec vp-toy group
Robert W. Hatch, exec vp-specialty retailing and furniture
Joe R. Lee, exec vp-restaurant group
Bernard Loomis, group vp-creative prods
Charles D. Weil, vp-gen mgr-marketing services
Robert J. Blake, director-adv services
Harold H. Nitch, director-media services

ADVERTISING AGENCIES

Altman, Stoller, Weiss, New York—Monet Jewelers.

Bozell & Jacobs, Minneapolis—grocery, military—Frank Miller, acct exec.

Campbell Mithun, Minneapolis—Breakfast Squares, Big G cereals (Crispy Wheats 'n Raisins, Buc*Wheats, Golden Grahams), Nature Valley (cereal, granola bars, clusters, Light & Crunchy, Granola & Fruit Bars, Granola Crisp), Betty Crocker potatoes, BC Coupon Plan—Bruce Sutherland, director-client services; Madeleine Betsch, mgmt super.

Dancer Fitzgerald Sample, New York—Big G cereals (Cheerios, Honey Nut Cheerios, Total, Kix, Trix, Lucky Charms, Cocoa Puffs, monster cereals, Donutz, new products), GMKT Flour, Fundimensions, Yoplait yogurt, Parker Brothers, frozen foods (Northstar, Saluto), Kenner—E. Freeman Bunn, Joseph Mack, mgmt directors; M.D. Sims, Michael Jeary, mgmt supers.

Dancer Fitzgerald Sample, San Francisco—Betty Crocker pancake mix, Wheat Hearts, LaPina—Brian Burns, mgmt super; Preston Bealle, acct super.

Laurence, Charles & Free, New York—Gorton's.

D'Arcy-MacManus & Masius, St. Louis—Red Lobster, Donruss—Charles Grady, mgmt super.

Foote, Cone & Belding/Honig, San Francisco—Wallpapers to Go, Eddie Bauer.

Peter Rodgers Associates, New York—Monet Jewelers.

Red Barron Inc.—Sperry Food Service.

Chester Gore, New York—Foot-Joy (golf, street, casual).

Grey Advertising, New York—Kenner, David Crystal—Joe Callo, mgmt super-David Crystal; John Cashwell, acct super-Kenner.

Grey-North, Chicago—LeeWards—Ruth McNitt, mgmt super.

Humphrey Browning MacDougall, Boston—Parker Brothers—Peter Evans, mgmt super; Peter Gruol, Mitchell Weeks, acct supers.

Ingalls & Associates, Boston—Talbots.

Leonard, Monahan & Saabye, Providence—Foot-Joy (running, tennis, racquetball).

Levenstein/Gaines, New York—Pennsylvania House.

Lloyd Mansfield, Buffalo—Kittinger.

March Advertising, New York—Lark Luggage.

McKinney, Silver & Rockett, Raleigh—Tom's Foods.

Needham, Harper & Steers, Chicago—Betty Crocker dessert mixes, Bisquick, new main meals, new instant meals, Bac*Os, Wheaties, Hamburger Helper—John McBride, Ron Bess, mgmt directors; Gary Benz, Vicky Sanders, mgmt supers.

Wattenmaker, Cleveland—Gorton's Blue Water label—James S. Wattenmaker, acct mgr.

General Motors Corp.

	1981	1980
Sales.........	$62,698,500,000	$57,728,500,000
Earnings*	333,400,000	(762,500,000)
Advertising**	401,000,000	393,000,000†

*(Loss)
**AA estimate
†Restated

General Motors, Detroit, the fifth largest national advertiser, increased 1981 ad expenditures 4.3% to $401 million in 1981 from a revised figure of $316 million in 1980. GM managed a slim profit in a "difficult and disappointing year."

GM's 1981 profit of $334.4 million represented a turnaround from 1980's loss of $762.5 million. It was achieved largely through General Motors Acceptance Corp., its financial arm, and not automotive sales. GMAC posted a record profit of $365 million, up from the previous record of $231 million in 1980.

Worldwide dollar sales were $62.7 billion or 9% higher than 1980. Unit sales dipped 5% to 6.7 million units or 20% of the market compared with 21% in 1980. U.S. sales fell 8% to 4.6 million vehicles, including 3.8 million cars (down 8%) and 847,000 trucks (down 10%). Market penetration fell 1% for cars to 45% and remained at 37% for trucks.

"High interest rates, a deteriorating economy and a relentless increase in labor rates and material costs prevented 1981 from being a year of real recovery for GM," said chairman Roger R. Smith.

GM "dominated" the list of best-selling cars in the U.S., the company said. Chevrolet Chevette headed the list in 1981 followed by the Chevy Citation. Also on the list were the Oldsmobile Cutlass Supreme, Chevrolet Malibu, Chevrolet Impala/Caprice, Buick Regal and Skylark.

Mr. Smith—who once said everyone is an ad expert, or thinks he is—presided over an active year of GM corporate advertising. It included rebates, interest rate ceilings, a sweepstakes that fell flat, and an aborted "pass through" of labor-rate savings to consumers. GM also took on Japanese imports in ads claiming better accident statistics.

GM used GMAC to dip a tentative toe into incentives in early 1981 with a "how to beat the prime rate" campaign. It didn't offer any special deals, however. But rebates were in the wind even as president F. James McDonald predicted the new J-cars "will enhance and excite the spring market." The Js failed to excite any market and by March, 1981, rebates of $500 to $700 on high-inventory models were in place. "Let's get America rolling" applied to GM as well.

GM extended the rebates while trimming some models from coverage and GM dealers kicked in a portion of the rebate—a practice that was to cause problems. GM announced a price increase as its second round of rebates ended and saw sales promptly nose-dive.

GMAC was the vehicle for GM's next lure—a 13.8% cap on interest rates. GMAC launched its "largest single-month" ad campaign in its history as "good news for car buyers." This one worked as GM posted its best 10-day sales period in five months during August.

The rebate fever even spread to GM's real estate activities. It was trying to peddle some 100 houses it acquired from transferred executives. "Buy a house—get a car," was the headline for a program that tossed in a 1982 model as a house-buying inducement.

GM followed a Chrysler Corp. price-holding action with a revival of the 13.8% auto rate but spurned rebates as such.

In November, GM apparently decided to stop throwing good ad money after bad car sales and cut fourth-quarter ad budgets by an estimated $7 million. GM wanted to save up for the introduction in early 1982 of its new front-wheel-drive intermediate-size models and redesigned Camaro-Firebirds. An ill-fated sweepstakes broke in December for the new models. It was called the biggest dealer showroom traffic effort in GM history and cost $4.5 million including the prizes.

GM had other marketing ploys up its sleeve including union negotiations. GM and the United Auto Workers agreed to pass through concessions in the form of price rollbacks. The deal unraveled even as GM buyers sat tight to find out what the new prices would be.

So it was back to rebates as GM called for a 2% "giveback" from its suppliers—including ad agencies. GM also unilaterally introduced "givebacks" for its staff workers. The result was rebates of $500 to $2,000, some of them on cars that had yet to be introduced. "Let's get moving" was the theme.

GM's 2% solution was expanded to include the media. While GM's agencies, led by Campbell-Ewald, were complying, the media turned a generally cold shoulder to the proposal. Some noted that they didn't succor Chrysler at its lowest ebb and GM certainly wasn't in that position.

GM's corporate agencies, D'Arcy-MacManus & Masius and N W Ayer had a shoot-out on a new GM campaign with Ayer winning for "We're the best GM ever." It didn't affect their basic assignments; D'Arcy does product corporate and Ayer public relations corporate, but it was a $15 million plum for Ayer.

Chevrolet sales took tumbles in both car and truck and market share nose-dived. In the face of the downturn, ad outlays stayed about even with the preceding year.

Total car sales fell to 1 million from 1.7 million; trucks were down to 675,628 from 756,491 and over-all, Chevrolet's sales were off almost 400,000 units to 2.1 million from 2.5 million.

Chevrolet did not have a car or truck line in which 1981 sales were higher than 1980. Chevette was the car leader with 346,307, down from 373,988 with the Citation X-body next at 300,184, down from 374,706. The full-size Chevrolet fell to 210,424 from 261,819. Cavalier and predecessor Monza plunged to 88,072 from 150,320 and Camaro, in its last year before a redesign, tumbled to 94,606 from 116,824. Monte Carlo held about even at 161,158 compared with 165,638.

Market share slipped to 16.9% from 19.5%. Ad outlays of $127.5 million nearly matched those of 1980 when they were $128 million.

Newspapers, magazines and network tv were the big winners while spot radio fell and spot tv held about even.

Chevrolet entered the 1981 model year with the ad theme: "Chevy's up ahead." That was a statement of fact for the No. 1 car division in the U.S., but it was also something of a devout hope following a poor 1980 model year.

Chevy concentrated on its "new" models for 1981, a reskinned Malibu and Monte Carlo and the Citation X-11. The X-11 took over the performance spot from Camaro, and ad copy read: "Grab a hold of the wheel. Feel how it works. It gives you goosebumps." Camaro advertising placed the sporty car in an economy mode. "People think they have to sacrifice fuel economy to drive a Camaro and it isn't true," said Carl Uren, director of advertising.

Trucks got an economy push as Chevy formed a group of "special economy trucks" (SET). The campaign was aimed at the personal-use trucker rather than commercial users. "The commercial business is holding up but the solid, discretionary buyers are on the shelf," said H.J. (Pete) Cordes. So truck ad headlines read: "More kinds of trucks than anyone else rated at 20mpg or better" and "Best mileage story of any full-size pickup."

Limited distribution also affected initial sales of the Chevy Cavalier, a version of the J-car, but not the amount of advertising. The Cavalier was "the complete car," and ads listed features "from A to Z."

In the summer, Chevy reorganized the top echelon of executives. Thomas A. Staudt was rehired away from his post as vp-marketing group for American Motors Corp. to become general marketing manager of Chevrolet. The marketing position was given more weight than it previously had, reflected by the fact that Mr. Staudt reported directly to Mr. Lund, corporate vp of sales and marketing rather than to the general sales manager, Robert E. Cook. Mr. Cook retained the sales position.

Chevrolet did not introduce many new models in the fall for the 1982 model year. The Cavalier was "reintroduced" with a second phase of advertising that emphasized technology while the mid-size models were grouped together in an ad as "Chevrolet's classics." The Citation intro was slated for later in the fall.

Over all this, Chevrolet popped its umbrella in a campaign that said: "Chevy makes good things happen," an attempt to create brand identity. "We're looking at this theme to be a long-term element in our ads. On top of that carrier wave we're going to lay the signals for various car product lines," said Russell Chick, manager of car ads.

The second wave of car introductions broke in November with the Citation and the Chevette getting most of the attention. Citation had four different tv spots, all done in a comic book style, featuring such characters as "Perfect Couple" and "Working Woman." The Chevette commercial showed two priests discussing its economy.

Both spots were aimed at the 25-to-34-year-old age group that includes a high number of entry-level buyers.

In the first part of 1982, Chevy brought out its versions of two new GM models, the Celebrity, a front-wheel-drive mid-size sedan, and the new Camaro, a downsized sporty model. The Celebrity was "The bright new shape of Chevrolet" in advertising. The newly shaped Camaro represented something of a return to performance for Chevrolet. Commercials for the Camaro featured the Z28 performance model with the theme line: "The only thing that can keep pace with it is its shadow."

One of the division's most optimistic image-builders, Mr. Lund, was replaced as general manager of Chevy in early February by Robert Stempel, who had been vp for European-sourced cars and managing director of Adam Opel in Germany. Mr. Lund was bumped upstairs to become vp in charge of corporate sales and marketing staff, replacing Robert Burger, who became the heir apparent to the general manager post at Cadillac.

Mr. Stempel, a former general manager at Pontiac, soon set about pruning and shaping Chevy to his liking.

Some of Mr. Stempel's European experience came in handy when GM began exporting U.S.-built models overseas, including a special version of the Camaro.

Pontiac, like Chevrolet, suffered erosions both in unit sales and market share but increased ad expenditures significantly.

Sales fell to 552,396 units from 614,897 and market share declined to 6.47% from 6.85%. Ad expenditures bounced up to $45.1 million from $32.2 million.

Only the Grand Prix intermediate specialty car showed an increase, to 128,236 from 118,414. The full-size Pontiac was next at 82,620, down from 105,398, but it was to be dumped as an '82 model. The Bonneville G, a fancier LeMans, replaced it and total sales for the Marque were 73,988 down from 77,911. Pontiac's low-price leader, the Sunbird, was dropped and the combined efforts of the T-1000, a Chevette in thin disguise, and the new J-2000 fell short of Sunbird 1980 sales. Firebird, a car whose flame was burning low pending a new design, managed 52,188 sales against 81,592 the year before.

Just about all the increase in Pontiac ad spending went to network tv which zoomed to $24.7 million from $13.8 million as Pontiac sought to implant new brand awareness. Spot tv actually fell to $4.8 million from $5.2 million and spot radio plunged to $129,000 from $1.4 million. That decline was partially offset by $893,400 in network radio against none in 1980. Magazine spending held about even while newspapers gained.

When consumer interest shifted toward fuel economy, Pontiac tried to follow but the division that brought the GTO and Firebird muscle cars to street racing found the performance image hard to shake. In fall, 1980, Pontiac's ad campaign concentrated on fuel economy comparisons and kept the previous year's slogan of MPG: "More Pontiac know-how to the Gallon."

Other car lines, the Grand Prix, LeMans, Bonneville and Trans Am also were compared with suitable competitors but they had the wrong sort of names. "Someday, somebody will take a look at the names. They all say performance, and performance in today's thinking means poor gas mileage," Mr. Maloney said.

Pontiac continued to strive for a more economical image during the winter with the help of a new model, the T-1000, an identical twin of the Chevette. Because of its similarity to the popular Chevette and the impending introduction of the J-cars, the T-1000 got no introductory ad blitz.

The division dropped comparison ads because too many other companies had picked up on the technique. Instead Pontiac decided to "go for more impact, excitement and a little bit of the emotion of buying a car," said James Graham, director of merchandising. So Grand Prix became "always a more stylish way of getting there, and getting there in style makes all the difference." The MPG theme line was retained.

Pontiac had not given up chasing the Japanese imports. The J-2000, introduced in late spring, was positioned against the Honda Accord in price but not in advertising. The J-2000 was marketed as "a new generation of Pontiac know-how."

The division did an about-face on its goals, deciding to chase a "youth and excitement" image instead of economy.

The shift in strategy had been completed by the time the fall introduction period rolled around. Pontiac went with an umbrella theme: "Now the excitement begins." The full-size Bonneville model was dropped but the name was carried down to the Grand LeMans body, which became the Bonneville G. "A new lean breed takes over" was the line for the model. The Grand Prix ads urged prospects to "take up a new sport."

The J-2000 campaign changed from a basic recognition strategy to a somewhat frantic "fun, fun, fun," theme with Beach Boys sound-alikes singing the lyrics.

Few were having fun at Pontiac, where sales were so bad GM exempted the division from an ad spending cut for the fourth quarter. The division hoped new models introduced in January would help.

The strategy for the new Pontiac 6000, a front-wheel-drive midsize car, followed the direction Mr. Hoglund had laid out in the fall: Excitement.

The old Firebird sales had been sagging all through 1981 but the new Firebird sales were destined to take off. The Trans Am model was featured in ads to give a performance ruboff to the other models.

Pontiac's J-2000 had trouble keeping up with the Accord because of its price, so the division introduced the J-2000 S in January. The stripped-down version cost $320 less than the original base model.

During the harsh 1982 winter, things did not look as cheerful for the J-car as they had the previous fall. Pontiac dropped the "fun, fun, fun" commercials in favor of the old introduction spots with a new voiceover.

Buick did everything in moderation in 1981. Its unit sales, market share and ad expenditures all increased decorously. Unit sales rose to 722,617 from 720,368 with the Regal/Century intermediates leading the way with 334,696. That was down slightly from the 345,101 in 1980, but the slack was taken up by the front-wheel-drive X-car Skylark. Riviera rose to 47,964 from 42,917 while the full-size LeSabre and Electra were down just a bit.

The small increase in sales was enough in a down year to increase Buick's market share to 8.45% from 8.03%.

Ad outlays increased to $36.7 million from $35.6 million as Buick shifted more dollars into print from tv. Newspaper and magazine spending rose, network tv held about even, spot tv dropped and spot radio fell but network radio spending grew in 1981.

Buick continued flying the hawk for 1981 and 1982. "It's more than just an ad symbol," said Lloyd Reuss, the division's general manager. "It is really a demonstration of the rejuvenation of an organization that had products attuned to a different point in time."

Coming out of a year in which its sales slipped less than any other GM division's, Buick introduced its 1981 models with the venerable tag line, "Wouldn't you really rather have a Buick?" While Buick was now selling small, fuel-efficient cars, it still relied on its traditional customer base.

Buick broke new ground when it became a heavy sponsor on Cable News Network. "Cable is a great growth area, and we wanted to get in on the ground floor," Mr. Savage said.

Ads for 1981 Buicks included "Here's the problem. Here's the solution," for the Regal, a repeat of the "Little limousine" for the Century and "A luxury car you can buy because of the mileage—not in spite of it," for the Electra.

Buick promoted its "free spirit" image through sports tie-ins. Basketball star Earvin "Magic" Johnson and jockey Willie Shoemaker teamed up in a broadline commercial saying, "We give you front-wheel-drive at both ends"—the luxury Riviera and the compact Skylark. Buick advertised on "Monday Night Football" and college bowls. It was the official car of the 1981 Super Bowl, and a Regal V-6 Turbo was the pace car at the 1981 Indianapolis 500. In addition, Buick will be the official car of the 1984 Summer Olympic Games in Los Angeles.

For 1982, Buick continued its "Wouldn't you really rather have a Buick?" tag, its full-line divisional ads and tie-ins with sports personalities and football.

Buick teamed up its compact Skylark and full-size diesels in print ads that read, "Some of our Buicks use very little gas and some of our Buicks use none." The full-size Electra was pictured against the U.S. Capitol with "It uses fuel conservatively and luxury liberally."

In January, 1982, Buick introduced its version of the front-wheel-drive A-body with, "It's the year of the Century." Buick wasn't out to capture a lot of new business with the Century.

Two months after the Century introduction, Buick brought out its version of the J-car, the Skyhawk. Even before it was introduced in March, 1982, the Skyhawk was rebated. GM had put rebates on other divisions' poor-selling J-cars, and it couldn't leave the Skyhawk out of the fray. The subcompact Skyhawk was Buick's answer to higher-price imports.

Oldsmobile, like Buick and Cadillac, sported minor sales, market share and ad expenditure gains. Unit sales rose to 348,739 from 820,681 and market share advanced to 9.95% from 9.14%. Ad outlays came to $39 million from $35.4 million.

Every car line had increases with the exception of the regular Cutlass intermediate. It fell to 187,952 from 210,784 but the Cutlass Supreme redeemed those figures by posting a gain to 266,070 from 258,789. Cutlass Ciera, the new front-wheel-drive intermediate, added another 2,882. Omega, the X-body car, saw sales rise to 109,981 from 87,262, while the big Olds, the 88, rose to 158,662 from 147,997 and the 98 increased to 84,583 from 73,464. Toronado, the luxury personal car, was up a bit to 38,609 from 37,051.

Meanwhile, the ad dollars were shifted around a bit. Newspapers, network tv and spot tv all gained in 1981 over 1980 but magazine expenditures fell off. Spot radio increased but network radio spending fell last year.

Olds kept its market share thanks to the Cutlass and the "Oldsmobile of small cars," Omega. Having nurtured a reputation for quality and engineering innovation, Olds moved away slightly from an engineering approach to insert a little flash and dash in its ads, but it kept the engineering approach for its diesel engines.

"We've had one built for you" continued as the umbrella theme for 1981. Cutlass ads became personal with a "This Cutlass is me" campaign in which various highly animated people substituted their names for Cutlass. Tv actor Dick Van Patten came aboard as spokesman for the full-size Delta 88. The Delta 88 and Cutlass campaigns used a cross-media approach designed for "synergy" between print and broadcast to get more impact.

In the spring of 1981, Olds fielded what it called its biggest spring ad campaign ever as it promoted options value packages.

Olds opened a new umbrella for its 1982 models with the theme, "Even today, there's still room to do it with style."

Print ads continued with the tag "We've had one built for you." Olds prepared two tv ads for the Cutlass with one directed at men and one at women, since women constitute half of Cutlass' principal drivers.

Oldsmobile brought out its fwd A-body, the Ciera, as an addition to its Cutlass series.

If Olds has to distinguish its A-body Cutlass Ciera from other Cutlass models, it also has to separate it from a car that looks a lot like it, Buick's A-body Century. For its A-body, Olds chose as a print tag, "Cutlass Ciera, the only front-wheel-drive that is a Cutlass."

In March, 1982, Olds introduced the Firenza, its subcompact J-body. Like Buick's J-body Skyhawk, the Firenza was born with a cash rebate.

As gasoline prices dropped, Olds diesel sales dropped, and in May, Olds brought out a "diesel value package" for its V-6 engine, offering free options with the purchase of a diesel.

Last fall marked Oldsmobile's second year in its return to sponsoring pro football on tv, and it marked Olds' introduction to cable tv. Olds bought time on the ESPN sports network in addition to the CNN news network. This fall will mark the 15th anniversary of an Olds performance tie-in as Olds brings out a 1983 Hurst Cutlass.

Cadillac sales, market share and advertising expenditures posted gains in 1981. Unit sales increased to 230,665 from 213,002 with only Seville showing a loss—to 22,724 from 34,709. That loss was recouped by sales of the new Cimarron—14,604.

The big Cadillac had a sales increase to 138,948 from 126,151 and the personal luxury Eldorado was up a little to 54,389 from 52,142. Market share came to 2.7%, up from 2.37%.

Cadillac boosted ad expenditures to $19.6 million from $14.2 million spurred by a big increase in network tv. Magazines and newspapers also showed an increase in ad spending over 1980.

Cadillac moved out of the fuel economy "numbers game" and into engineering with 1981 models when it introduced the V-8-6-4 engine. "As you drive, the 1981 Cadillac automatically goes from 8 to 6 to 4 cylinders. Trust Cadillac to lead the way," the ads said. The engine encountered operating problems and became the subject of many lawsuits. But the engine did show Cadillac's high-technology strategy toward foreign competition.

The V-8-6-4 was the subject of nine class-action lawsuits by July, 1982. One suit charged that GM knew the engine was defective, dangerous and not able to be repaired before the engine was marketed and advertised. In 1981, GM extended the V-8-6-4 warranty to five years and 50,000 miles. Only Cadillac limousines continued to use the engine.

Cimarron "by Cadillac" was launched in May, 1981, as "a new kind of Cadillac for a new kind of Cadillac owner." The new Cadillac was a four-passenger subcompact with a four-cylinder engine and a four-speed manual transmission. The new kind of Cadillac owner would be a young, affluent buyer of imports.

While other GM divisions aimed their J-cars at Japan, Cadillac took aim at Europe. "Compare Cimarron to the likes of BMW 320i, Audi 5000 and Saab 900S. Spec for spec, feature for feature," ad copy read.

Cadillac introduced the Cimarron through magazine ads and direct-mail solicitations of 1 million owners of European luxury sedans. Cimarron's tv introduction came last fall when Cadillac bought its first football time ever.

The division brought out its 1982 models with the theme, "Best of all. . .it's a Cadillac." The Cimarron, continuing as "a new kind of Cadillac," was purchased by Cadillac's youngest customers.

The Seville, which at $25,000 cost twice as much as a Cimarron, was touted as "a car for those who seek the better things in life" and was targeted at Cadillac's oldest customers. Cadillac told its dealers the Seville was for those "for whom first class is a way of life" (those making over $75,000 a year).

Ads for the Eldorado called it "a different breed of Cadillac" with an "understated touch of class." Cadillac put ads for the $22,500 Eldorado Touring Coupe—which has stiff suspension and blackwall tires—in such magazines as *Motor Trend.*

Of all things, vans and big Suburban wagons were the brightest spots at GM Truck & Coach. Vans, in the doldrums for the last several years, had an increase to 22,982 units from 21,007, and Suburbans inched up to 4,349 from 4,210. Pickups were the best sellers at 97,599, down from 102,129. Total sales fell to 171,551 from 183,835. The S-15 pickup was plus business at 2,314.

Heavier-duty trucks also were down, with mediums at 19,360 compared with 24,108 and the heavy-duty models off to 12,810 from 18,698. GMC raised ad expenditures to $8.2 million mainly through network tv. From zero network tv in 1980, the division spent $3.7 million in 1981. Magazines were up to $2.6 million from $1.9 million.

For 1981, GMC put most of its money into magazine ads aimed at specific audiences. Targets were management execs for corporate trucks and farmers. Other magazine ads were directed specifically at fleet managers.

Finally, GMC put some ads in media directed at consumers. GMC spent no money on tv. It dropped Monday Night Football.

The division reversed its no-tv decision when it brought out the 1982 compact S-15 pickup. Sixty per cent to 70% of its ad budget would go into tv, according to James T. Riley, GMC's general sales manager.

The new S-15 pickup was allied with GMC's bigger rigs in ads to differentiate the S-15 from the identical Chevrolet S-10, the compact Ford Ranger and imported Japanese pickups. The theme for all of GMC's ads continued to be, "Trucks are what we're all about."

AC-Delco increased ad spending to $9.4 million in 1981, 29% above the $7.3 million spent in 1980. GM's replacement parts division spent 70% of its ad budget during the football months from September to January. AC-Delco merged with General Motors Parts division in September, 1981, to form the Warehousing & Distribution division.

GM, after battling imports in the U.S., decided to join the import ranks via its North American Vehicles Overseas division. NAVO started marketing U.S.-built cars around the world with the ad theme, "Put yourself in another world." The tag line was "The New Americans from General Motors," and copy pointed out "There's a certain feeling you can experience only in an American car. It's a feeling of contentment and serenity."

It was the old idea of foreign mystique turned around with hoped-for sales of 110,000 to 115,000 cars in the 1982 model year. The operation represented plus business for idling U.S. plants and a chance to increase GM's overseas sales which after 1981 needed a boost.

GM's overseas retail sales came to 1.6 million units, down 5% from 1980 with GM's market share at about 7%. Adam Opel's sales in Europe declined 7% as well, and Vauxhall Motors in the United Kingdom saw sales plunge 11%. GM pushed ahead with a new small car plant in Spain, maintaining its output wouldn't be exported to the U.S.

GM made other arrangements for small cars. It plans to import 200,000 Isuzu-made Japanese small cars which will bear the Chevrolet brand name. Late in 1984 is the target date.

GM's Power Products Operations were a bit brighter. Detroit Diesel Allison division hit record dollar sales, topping 1980 by some 14%. There were record sales of light helicopter turbine engines, strong sales of off-highway transmissions and sales of transmissions for the new M-1 tank. Electro-Motive division saw a "significant increase" in demand for diesel engines in oil rigs and industrial applications. Diesel locomotive component sets for export hit a unit sales record.

GM moved General Motors Acceptance Corp. and Motors Insurance Corp. from New York to Detroit in the summer of 1981. It also realigned worldwide truck and bus operations into a new organization. Assigned to the new group were GMC Truck & Coach division, Worldwide Transportation Systems Center and Vauxhall Motors. Rochester Products division and Diesel Equipment division were consolidated as were Harrison Radiator division and Delco Air Conditioning division. Harrison Radiator was the surviving name.

ADVERTISING EXPENDITURES*

	1981	1980
Newspapers	$65,502,100	$52,306,100
Magazines	65,437,100	56,478,800
Farm publications	1,506,500	2,070,400
Spot tv	13,940,900	18,861,300
Network tv	146,919,100	123,486,900
Spot radio	32,431,100	32,150,400
Network radio	5,435,000	3,718,500
Outdoor	3,600,000	7,972,300
Total measured	335,075,800	295,968,400
Unmeasured	65,924,200	97,031,600**
Estimated total	401,000,000	393,000,000**

*AA estimate
**Restated

MARKETING PERSONNEL

R.D. Lund, vp-sales & mktg
J.N. Stewart, exec director-mktg
D.J. Teasdale, director-adv
J.W. Finney, asst adv mgr/media
D.K. Murley, asst adv mgr
D.P. Bolen, asst adv mgr
Margaret M. Rafferty, adv contract dept/super
Margaret Hudzik, adv traffic coordinator

ADVERTISING AGENCIES

D'Arcy-MacManus & Masius, Bloomfield Hills, Mich.—Milton F. Coulson Jr., vice-chairman/Bloomfield Hills, mgmt super; William A. Mara, vp-acct super; Ronald Monchak, senior vp-creative director; Selby Cook, vp-group creative super.

N W Ayer, Detroit—Louis Hagopian, chairman & ceo (New York); Robert Kingsbury, senior vp-genl mgr, Detroit; Richard Prince, senior vp-mgmt super; Robert Morrison, vp-acct super; Jerry Siano, vice-chairman-worldwide creative director; John Walsh, senior vp-exec creative director; Earl Shorris, senior vp-corporate planning; Sirje Helder, vp-group creative director; Thomas Wehner, vp-creative super; Susan Pralgever, vp-creative super.

BUICK MOTOR DIVISION

MARKETING PERSONNEL

Lloyd E. Reuss, genl mgr
J.D. Duffy, genl sales mgr
J.J. Faerber, asst genl sales mgr/admin
R.L. Ingersoll, asst genl sales mgr/eastern area
W.E. Edgar, asst genl sales mgr/western area
C.N. Moore, asst genl sales mgr/midwestern area
L.D. Robbins, asst genl sales mgr/central area
H.E. Savage Jr., director adv
T.L. Pond, director pr

ADVERTISING AGENCIES

McCann-Erickson, Troy, Mich.—Gerald C. Atkin, exec vp-genl mgr; Harry W. Grusche, senior vp-mgmt super; Edmund H. (Ned) Sale, vp-acct super; Harold W. Randall, vp-acct super/product info; Lawrence G. Wallace, acct exec/adv; Keith Mandish, acct exec/adv; Jerry Fronczak, acct exec/product info; Cathy Thompson, acct exec/product info; W. Brien Schweikart, vp-media director.

CADILLAC MOTOR CAR DIVISION

MARKETING PERSONNEL

Edward C. Kennard, genl mgr
Robert D. Burger, asst genl mgr
L.B. Pryor, genl sales mgr
W.R. Lewellen, asst genl sales mgr/service
C. Chynoweth, asst genl sales mgr/eastern
Ellie R. Torre, asst genl sales mgr/western
J.R. Kitzmiller, exec asst to genl sales mgr
R.B. Welday, director-merchandising
F.R. Cadicamo, asst director-merchandising
J. Bruce McCristal, director pr

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, Bloomfield Hills, Mich.—Ernest A. Jones, chairman exec committee; H. (Hal) G. Bay Jr., chairman, Bloomfield Hills; James T. Doyle, president, Bloomfield Hills; G.A. Scott, vp-creative director; R.C. Spaulding, vp-media director; Robert Wallace, vp-Cadillac acct super; A.L. McClain, director-pr.

CHEVROLET MOTOR DIVISION

MARKETING PERSONNEL

R.C. Stempel, genl mgr
R.E. Cook, genl sales mgr
T.A. Staudt, genl mktg mgr
J.C. Perkins, asst genl sales mgr/field
M.H. Erdman, sales mgr/trucks
T.R. Chick, mgr/passenger car adv
H.J. Cordes, mgr/truck & wagon adv
J.J. Williams, director pr

ADVERTISING AGENCY

Campbell-Ewald, Warren, Mich.—T.B. Adams, chairman; P.L. John, vice-chairman; J.I. Bernardin, exec vp-creative director; W.J. Tausch, exec vp-Chevrolet acct; W.R. O'Neil, senior vp-assoc acct director/admin; T.R. Boyd, senior vp-mgmt super/truck; R.F. Ovies, senior vp-exec director creative services/Chevrolet car & truck; C.F. McLaughlin, senior vp-car merchandising; R.W. Mitchell, senior vp-assoc acct director/car & truck marketing, advertising & merchandising; W.S. Schindler, senior vp-pr; A.J. Hopp, senior vp-mgmt super/truck; F. Fraser, vp-director/automotive adv; W.R. Kennedy, vp-product info; R.G. Smith, vp-marketing/Chevrolet; D.D. Williams, senior vp-mgmt super/small cars

OLDSMOBILE DIVISION

MARKETING PERSONNEL

R.J. Cook, genl mgr
J.F. Mattox, genl sales mgr
D.L. Neisch, asst genl mgr/eastern
E.M. Schlesinger, asst genl sales mgr/mktg & dealer activities
D.E. Lahti, asst genl sales mgr/western
C.E. Strong, admin asst to genl sales mgr
L.C. Myers, mkt analysis mgr
F.W. Bennetts, director pr

ADVERTISING AGENCY

Leo Burnett Co. of Michigan, Southfield, Mich.—John C. Ryan, senicr vp-mgmt director; Roger Bailey, vp-Olds acct super; Joe Henry, vp-media director; Alan Dickinson, acct super; Robert Smith, acct exec; Lawrence Doyle, acct exec.

PONTIAC MOTOR DIVISION

MARKETING PERSONNEL

W.E. Hoglund, genl mgr
W.W. Lane, genl sales mgr
C.E. Chambliss, asst genl sales mgr/service-admin
R.E. Benson, asst genl sales mgr/mktg
W.H. Ross, asst genl sales mgr/field
S.A. Hoostal, sales mgr/western
J.W. Johnston, sales mgr/eastern
H.S. Christie, sales mgr/central
J.H. Graham, director of merch
C.A. Curry, adv mgr
D.W. Logie, sales promo mgr
S.T. Richards, director pr

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, Bloomfield Hills, Mich.—Ernest A. Jones, chairman, exec committee worldwide; H.G. Bay Jr., president, ceo worldwide; James T. Doyle, president/Bloomfield Hills; John Greening, senior vp-mgmt super; George Acree, vp-acct super; Pat Aulgur, acct exec; Richard W. Halladay, acct exec; William K. Rankin, acct exec/product info; Larry Wroblewski, acct exec/product info; Pat Brown, acct mgr; Ron W. Monchak, exec vp-creative director; Arthur Morat, vp-group creative super.

GMC TRUCK & COACH DIVISION

MARKETING PERSONNEL

Robert W. Truxell, genl mgr
James T. Riley, genl sales mgr
Edward R. Stokel, director-public transportation
Melvin A. Pullin, coach sales mgr
Richard F. Lucas, asst genl sales mgr/trucks
Carl E. Rehm, asst genl sales mgr/merchandising
James E. Wenzel, adv mgr/trucks
Frank E. Cronin, director pr

ADVERTISING AGENCIES

McCann-Erickson, Troy, Mich.—Gerald Atkin, exec vp-genl mgr; Ronald F. Gauss, senior vp-mgmt super; W. Brien Schweikart, vp-media director; Glynn Armitage, vp-acct super; Jan Woznick, director-mktg services; George T. Skirtich, acct exec.

AC-DELCO DIVISION

MARKETING PERSONNEL

R.J. Smith, genl director
J.M. McKenzie, sales mgr/operations
C.S. Wagner, director/mktg & forward planning
D.K. Colliver, director adv & pr
F.R. Alexander, assoc adv mgr

ADVERTISING AGENCY

Campbell-Ewald, Warren, Mich.—P.L. John, vice-chairman, ceo; P.A. Dow, president, ceo; R.E. Britton senior vp-mgmt super; I.W. Beaton, senior vp-senior acct super; R.E. Guerrier, vp-acct super; M.J. Brogan, vp-acct super; E.F. Taylor, exec vp-creative director; T.J. Glynn, exec vp-director media; D.J. Kuzma, acct exec.

DELCO ELECTRONICS DIVISION

MARKETING PERSONNEL

R.J. Schultz, genl mgr
J.C. Crawford, genl sales mgr
G.R. Flora, mktg mgr

ADVERTISING AGENCY

Campbell-Ewald, Warren, Mich.—Richard D. O'Connor, vice-chiarman; Paul L. John, president; Peter A. Dow, exec vp; Robert E. Britton, senior vp-mgmt super; Ross Morgan, vp-acct super.

GENERAL MOTORS PARTS

MARKETING PERSONNEL

V.R. Peters, genl director
G.S. Cashion, sales mgr/eastern
E.M. Green, sales mgr/central
E.L. Schreitmueller, sales mgr/western
J.P. Kane, sales mgr/marketing
J.T. O'Connor, sales mgr/admin
D.J. Danna, adv & sales promo mgr
J.A. Staffacher, merch mgr
F.M. McCurdy III, director pr

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, Bloomfield Hills, Mich.—James T. Doyle, president/Bloomfield Hills; Ronald W. Monchak, exec vp-creative director; Chuck Brandt, vp-acct super; F. Mike Koch, acct exec; Arthur Harrington Jr., vp-director sales promo.

ELECTRO-MOTIVE DIVISION

MARKETING PERSONNEL

Peter K. Hoglund, genl mgr
W.A. Fox, director sales & service
G.C. Mulick, genl sales mgr/power products
R.E. Hill, genl sales mgr/domestic locomotives
F.J. Babel, genl sales mgr/export locomotives
Nancy A. Calvert, director pr, adv, sales promo
James H. Gill, staff asst

ADVERTISING AGENCIES

Marsteller Inc., Chicago—Richard Christian, chairman; Milt Lynnes, exec vp-genl mgr; John Roberts, mgmt super; Phil Young, vp.

Marsteller Inc., New York—W.A. Marsteller, chairman exec committee; Louis Magnani, president.

Burson-Marsteller Associates, New York—Harold Burson, chairman; Elias Buchwald, vice-chairman.

Burson-Marsteller, Chicago—J. Lovejoy, vp-senior consultant, group mgr; S. Carr, acct exec.

GENERAL MOTORS ACCEPTANCE CORP.

PERSONNEL

R.F. Murphy, president
G.R. Samardich, exec vp
C.A. Krauss Jr., director industry, govt, pr

ADVERTISING AGENCY

U.S.

Campbell-Ewald, Warren, Mich.—Richard D. O'Connor, vice-chairman; Paul L. John, president; Thomas L. Glynn, exec vp-media director; Eugene F. Taylor, exec vp-creative director; James J. O'Neal, senior vp.

Canada

Campbell-Ewald Ltd. Advertising, Toronto—Trevor F. Goodgoll, president, mng director.

MOTORS INSURANCE CORP.

MARKETING PERSONNEL

J.J. MacDonald, president
G.S. Barquist, vp-mktg & agency relations
T.F. Kelly, director-mkt rsch & adv

ADVERTISING AGENCY

G&S/Burton, Detroit.

Gillette Co.

	1981	1980
Sales	$2,335,000,000	$2,315,000,000
Earnings	124,200,000	123,977,000
Advertising*	171,900,000	150,981,000

*AA estimate

Gillette Co., Boston, the 32nd largest national advertiser, increased its advertising by approximately 14% to an estimated $171.9 million in 1981.

Worldwide sales in 1981 increased to $2.34 billion, up 1%, while earnings were virtually unchanged. Sales for the first quarter of this year decreased 9%, while earnings dropped 19% to $32.9 million.

Colman M. Mockler Jr., Gillette chairman-chief executive officer, attributed the lower results primarly to continuing recessionary conditions in retail sales in the U.S., as well as many countries abroad, and to foreign currency fluctuations that produced rates significantly below those in the first quarter of 1981. For the six months ended June 30, 1982, sales declined 5% to approximately $1.107 billion, compared with $1.171 billion in 1981. Profit from operations was $162.9 million, virtually unchanged from $163.5 million the year before. Pretax income was $121 million, down 2% from $123.3 million in the prior year. Net income was $70.8 million, a decrease of 7% from $76.4 million in 1981.

For all of 1981, Gillette's four major lines and their percentage contributions to sales were: Blades and razors 33%; personal care 28%; writing instruments 13%, and Braun products 20%.

Worldwide advertising and promotion costs in 1981 were up 13% to $385.5 million from $340.7 million in 1980. The 1981 total included $263.2 million for advertising and sampling and $122.3 million for sales promotion.

Sales and profits of blades and razors advanced in 1981. Gillette's safety razor division continued its dominance of the wet shave market on the strength of Trac II, the nation's biggest selling shaving system, and the continued success of the Atra automatic adjusting twin-blade razor and cartridge. The 5-year-old Atra continues to be best-selling razor in the country.

In most major markets abroad, Gillette blades and razors outsell those of all competitors combined.

In the U.S., the Atra brand retained its leading dollar share of the razor market, and sales of Atra twin blade cartridges increased significantly. Abroad, the Atra system achieved share gains in every major market in which it is sold. Atra cartridge sales overseas climbed significantly; Atra razors became the top sellers in Europe.

Trac II cartridge sales rose, continuing as the No. 1 blade brand in the U.S. International sales of the G II (Trac II's brand name abroad) twin blade cartridges were somewhat lower.

The U.S. sales of disposable razors saw a sharp increase primarily as a result of rising consumer demand for Good News!, the top seller in the category for six consecutive years. The new women's Daisy disposable also contributed to the increase.

With the total disposable market now accounting for approximately 28% of the total blade market in unit sales, Gillette continues to dominate with about 56% of unit sales in the disposable blade market.

In the $583 million blade market, Gillette's share continues to be in the area of 60%. Schick (Warner-Lambert) has the No. 2 spot with a share in the low 20s. The rest of the market is held by American Safety Razor, Bic and private labels.

According to Leading National Advertisers, Gillette last year spent $6.2 million to advertise the Atra shaving system; $3.02 million for Good News! and Swivel disposable razors, and $1.2 million for the Just Whistle razor.

The company's personal care division blossomed during the last year. Today, analysts who monitor Gillette agree that the division's new product posture is one of the best in the business—if not the best, due to several new product introductions, including Silkience, Aapri, For Oily Hair Only and Dry Idea.

Last year the division showed marked gains. Worldwide toiletries and grooming aid sales increased nearly 11% to $661.4 million in 1981. Dry Idea roll-on, introduced four years ago, continues to expand its share in the $1 billion retail deodorant/antiperspirant market. Aided by higher sales of its Soft & Dri brand, Gillette expanded its leading position in aerosol deodorant/antiperspirant.

Gillette's inroads into haircare and other beauty aids notwithstanding, deodorants and antiperspirants continue to be critical. Last year Gillette spent $19.6 million to advertise Right Guard, $8.1 million for Dry Idea and $4.7 million for Soft & Dri.

In addition, the company's shampoo sales climbed significantly as a result of the continued success of two-year-old Silkience "self-adjusting" shampoo, formulated to clean hair only where dirty and condition only where dry. As it traditionally does, Gillette backed the introduction with big bucks—more than $19 million in promotional spending and $11 million in advertising. In 1978, Gillette rolled out Silkience "self-adjusting" conditioner.

This very line, in fact, which is often credited as starting the Gillette winning streak last fall, gave birth to yet another sibling, a moisturizer based on the same self-adjusting concept that has proved so successful for the hair products. In November, Gillette rolled out Silkience moisturizer, backed by $11.5 million into prime time and network. Ads by N W Ayer follow the same creative tack as the hair product commercials created by Advertising to Women. Ultraviolet scanner photography demonstrates the product's selective lubricating capabilities.

When the product was announced, however, skeptics questioned whether or not the haircare success will translate as smoothly into skin. And, indeed, at a meeting of security analysts this summer, Gillette treasurer Milton Glass admitted the launch to date to be a little shy of expectations. As such, it is the personal care division's first recent flirtation with disappointment.

Another new product, Aapri, an apricot facial scrub introduced in June, 1981, quickly managed to grab 9% of the $133 million facial market, to the surprise of most analysts, who are now saying it created an entirely new category. Its introduction was supported by a $17.4 million advertising and promotion budget. Analysts fully expect Gillette to come out with some sort of Aapri reincarnation, but are unsure what to expect.

Last year also saw the introduction of Mink Difference, a hair spray with mink oil, which is supposed to leave hair shiny and soft. As such, Mink Difference was just the kind of product the personal care division is so fond of: Higher-price and sporting a distinct product difference. And, indeed women's hair spray sales have been rising sharply, after falling on hard times during the 1970s.

Over the past year, Gillette reports that Jafra skincare products registered strong sales gains both here and abroad.

At the company's annual meeting in April, Gillette disclosed several new products, including For Oily Hair Only, a shampoo and rinse system that is being supported by more than $20 million in advertising and promotion. Others included Bare Elegance, a moisturizing body shampoo aimed at women that entered into a West Coast test this past spring. It is expected to compete against moisturizing bars rather than just liquid soaps.

Sales of personal appliances decreased sharply as a number of models were discontinued.

Worldwide writing instrument sales jumped from $289.3 million to $303.5 million. Ballpoint pen sales rose in the U.S. where Gillette continued to retain the No. 1 position in dollar share of the retail market. The company attributed the performance to its Eraser Mate, a disposable pen, and to its Write Bros. stick pens, which registered strong sales growth in both the commercial and retail sectors.

The company's luxury writing instruments, manufactured and distributed by S.T. Dupont of France, posted sizable gains due primarily to the performance of its line of ballpoint pens. Gillette also maintained a leading share in the $110 million porous pen category, aided by the introduction of refillable Ultra fine flair brands.

Sales of Braun products continued in 1981 to show gains in local currencies. Sales were moderately lower, when translated into dollars. The shaver, household and personal care product areas, which together account for more than three-quarters of total Braun sales, showed strength, but profits were moderately lower.

Sales of its electric shavers were down, but Braun retained its leading share position in Germany. During the year, Braun continued its gradual divestiture of its photo and hi-fi business.

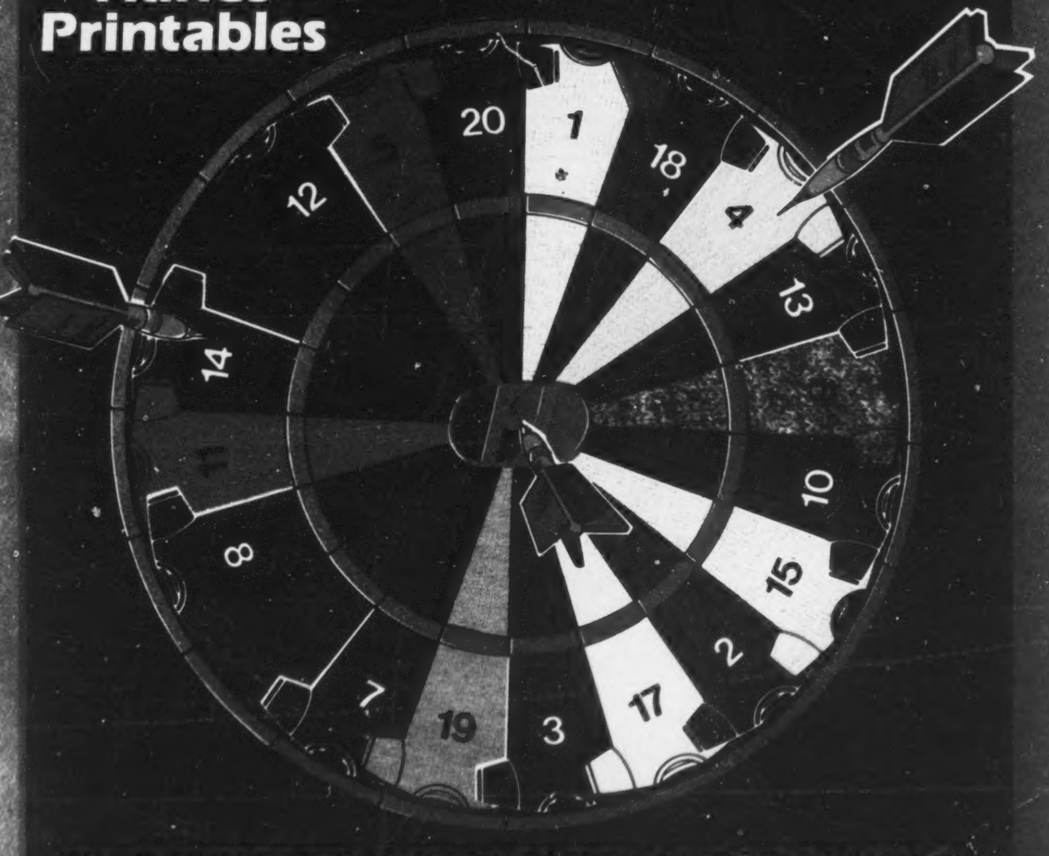
This year, there were some indications that Gillette had inched away from its noncomparative advertising stance toward the shaver business. For the first time, Gillette responded to a series of comparative Bic ads for the Bic Shaver, with pretty severe comparative ads of its own, in a tv campaign claiming, "If you use Bic you're not getting as close, as smooth, as safe a shave as you would with Gillette's Good News!" It ended —no less obliquely—with the line, "Sorry, Bic."

Although the company claimed its new spots were in the works before the Bic comparative commercials broke, Bic strongly believed that the campaign was in response to its ads. Other sources suggested that Gillette was steamrolling the issue with the networks, who had to decide whether or not to keep such conflicting claims on the air.

The networks decided not to, and dropped the Bic ads.

At any rate, sources characterized the quick belligerence of the Gillette effort as quite out of character, and suggested that maybe the safety razor division would be even more aggressive in the future.

During the first half of this year, Gillette made two interesting announcements. First, that it had completed an agreement with the Shenyang Daily Use Metals Industry, Liaoning Province, Northeast China, for the manufacture of coated blades, uncoated blades for industrial use and plastic razors for Chinese consumption. Production will begin in mid-1983. Then, in July, Gillette announced it would spend $30 million this year on oil and gas ventures.



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ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$1,984,800	$1,226,500
Magazines	9,425,500	12,025,500
Spot tv	8,568,700	13,193,100
Network tv	76,429,900	59,509,700
Spot radio	11,800,000	—
Outdoor	300	26,900
Total measured	96,441,000	85,981,700
Unmeasured	75,459,000	65,000,000
Estimated total	171,900,000	150,981,700

GILLETTE CO. ADVERTISING SERVICES DIVISION

Thomas T. Ryan, vp
Thomas A. Lux, director-sport/print/-barter/new technologies
Allen K. Gibbs, director-media services
Ronald Harding, director-tv commercial production
Howard Fisher, director-network buying
Robert J. Evans, director-promotion services

SAFETY RAZOR DIVISION

MARKETING PERSONNEL

Derek W. F. Coward, vp-mktg.
Carmen A. Comite, group product mgr, disposable shavers
Joseph H. Crist, group product mgr, new prods
W. Scott Roberts, vp-sales
Bruce Cleverly, group product manager, permanent systems

ADVERTISING AGENCIES

BBDO, New York—Atra, Good News!, Swivel, Trac II. Atra: Ted Newlin, senior vp; Bill Badger, senior vp-mgmt super; Michael Paxton, vp-acct super; Phil Dusenberry, exec vp-exec creative director; Janet Burnett, acct exec. Good News! and Swivel: Ted Newlin, senior vp; Bill Badger, senior vp-mgmt super; Michael Paxton, vp-acct super; Phil Dusenberry, exec vp-exec creative director; Bob Schlesinger, senior vp-associate creative director, Lindsey Cole, acct exec. Trac II: Ted Newlin, senior vp; Bill Badger, senior vp, mgmt super; Michael Paxton, vp-acct super; Phil Dusenberry, exec vp-exec creative director, Janet Burnett, acct exec.

Marschalk Co., New York—Just Whistle, Daisy, Widget—Andrew Langer, president; Dick Villante, exec vp; John Dooner, senior vp-mgmt super; Dennis Zolnierzak, acct super; Elizabeth Garland, acct exec.

PERSONAL CARE DIVISION

MARKETING PERSONNEL

Robert N. Forman, vp-mktg.
Peter K. Hoffman, mktg mgr, skincare
Michael Nadelberg, mktg mgr, deodorants/antiperspirants
M. Gage Heath, mktg mgr, shampoos/-conditioners
Robert Leger, mktg mgr, hair sprays/home waves

ADVERTISING AGENCIES

Young & Rubicam, New York—Right Guard—Ed Lebar, mgmt super.

BBDO, New York,—Soft & Dri, Dry Look, Dry Idea—Bill Kelly, mgmt super.

Marschalk Co., New York—Trac II and Foamy shave creams, Bare Elegance moisturizing soap—Dan Cogen, mgmt super.

Advertising to Women, New York—Toni, Silkience conditioners, Silkience shampoo, FOHO shampoo & rinse—Jeff Lehmann, mgmt super.

N W Ayer Inc., New York—Adorn, White Rain, Silkience moisturizer, Mink Difference, Aapri—Stan Mattison, mgmt super.

PAPER MATE DIVISION

MARKETING PERSONNEL

Robin H. Kirkland, vp-mktg
William Nahikian, director-mktg
Dickson W. Lewis, senior prod mgr, ball-point pens

ADVERTISING AGENCIES

McCann-Erickson, New York—Paper Mate ball-point pens, Eraser Mate—Ian Hooper, senior vp.

Hill, Holiday, Connors, Cosmopulos, Boston—Liquid Paper office products—John Fitzgerald, senior vp.

Marschalk Co., New York—Flair porous products—John Dooner, mgmt super.

JAFRA COSMETICS

Thomas C. Grant, president.

Greyhound Corp.

	1981	1980
Sales	$5,164,000,000	$5,136,000,000*
Earnings	138,200,000	118,300,000
Advertising	75,592,100**	63,577,400

*Restated to include financial segment
**AA estimate

Despite declining earnings in its busline business, Greyhound Corp., Phoenix, the nation's 72nd largest advertiser, recorded earnings in 1981 of $138.2 million, a 17% increase over the previous year, on a slight 2% increase in sales from $5.136 billion to $5.164 billion.

Greyhound, which increased advertising from $63.6 million to an estimated $75.6 million in 1981, credits the company's improved financial performance to the reduction of long-term debt and short-term borrowings, the selection of new management and, most important, the "rejuvenation" of Armour & Co., Greyhound's food and consumer products group.

Armour & Co., whose Armour Foods is Greyhound's food segment, reversed a slide in profits which had brought dire predictions of its demise from the business community in 1980.

Greyhound reacted quickly as the year opened to revitalize the company's sagging prospects by making several management changes: Walt Tunnell was made president of Armour Foods and Dave Duensing became president of Armour-Dial, Armour's consumer products division.

Under the new leadership, Armour Food Group's net income increased from a loss of $5.7 million in 1980 to a $9.7 million gain in 1981, while sales slid from $2.46 billion in 1980 to $2.30 billion in 1981. An important development in the earnings turnaround was the jointly forged contract between Armour and the United Food & Commercial Workers International Union, which provides for a wage and cost-of-living freeze for almost the next four years.

Perhaps the most dramatic product turnaround was in the processed meat area, which experienced an almost $20 million upswing in sales. During the year, Armour regained some of its private-label business and increased its "second line" brands, which are made to meet unique regional tastes in bacon and other products. The company also increased volume on almost all processed meat products, including bacon, hot dogs and luncheon meats, as well as achieving expanded distribution. This strategy marked the continuation of the strategy begun in late 1980 to rebuild the division.

Building on the quality reputation of its Armour Golden Star canned hams, the company introduced the Armour Golden Star boneless ham last October. Also, Armour's new line of Dinner Classics frozen entrees were introduced into four new markets. Company officials say the line will be in national distribution by yearend.

Armour's processed meat ad spending in 1981 compared to 1980 (shown in parentheses) were Armour Golden Star canned ham $86,200 ($87,800); Armour International deli sausage) $25,400 ($91,900); Armour meats $8,400 ($300,000); Armour Star franks $9,600 ($1.3 million); Armour Star frozen turkey $2 million ($1.5 million); Armour Star ham $23,400 ($649,500). Figures are from Leading National Advertisers.

Other food product advertising included Armour La Sauce chicken baking sauce $1.1 million ($999,300); Armour frozen dinners $414,900 ($257,800), and Armour Star canned chili $654,600 ($641,700). La Sauce, still in its marketing infancy, had moved from test market into regional distribution (20% of the country) in 1980.

Armour canned Treet, canned Vienna sausages, lunch meats, Armour Star bacon and canned beef—products advertised in 1980—were not advertised in the six media monitored by LNA during 1981.

Because of the poor return on investment the company had experienced from its turkey-raising concerns, Armour sold its three turkey facilities to move out of the commodities end of the business. Armour officials say the decision will not affect the company's line of turkey products. Armour is introducing a new line of 12 turkey products, including turkey bologna, pastrami and hot dogs, to capitalize on the increased awareness of the nutritional benefits of poultry compared with red meat. After 20 years together, Armour split with Y&R on its $5 million processed meats account and enlisted the services of Bozell & Jacobs.

Greyhound's consumer products segment—essentially Armour & Co.'s Armour-Dial division—reported net income in 1981 of $16 million on sales of $597.5 million, compared with net income of $15.9 million on sales of $621.1 million in 1980.

Dial soap maintained its position as the leading deodorant soap in the nation with a market share of about 14%, and the company's Tone skincare bar held its own in market share, says the company. These two products dominate advertising at Armour, and at Greyhound for that matter. According to LNA, Dial deodorant soap spent $15.9 million in 1981 compared with $15.6 million in 1980. Tone soap spent $5.1 million in 1981 compared with $5.2 million in 1980. Armour's new liquid soap product, Liqua 4, went national this summer. Spirit, the blue-and-white bar soap billed as a "latherer," pulled from several Midwest test markets in early 1981 but reappearing a few months later with a new package design, drew $163,000 in advertising in 1981 compared with $144,200 in 1980. It has gained market shares of 3% to 4% in its test markets, say company officials.

Armour-Dial pulled out its guns during the year to support Dial dry solid deodorant with a $6.6 million accumulative buy—almost all on network tv—compared with the $2 million spent on the product the previous year.

Yet another Greyhound segment, foodservice, increased its earnings in 1981 almost 50% to $6.5 million from $4.3 million. Sales were up 6% to $255.3 million from $240.5 million in 1980.

A shrinking economy and growing unemployment rate contributed to the decline in Greyhound's transportation segment's earnings drop to $49.7 million from $54 million in 1980. Sales, however, increased to $1.05 billion from $989.9 million. In the process, Greyhound Lines passenger miles fell 6% to 8%. Greyhound Lines boasts that in September, 1981, it operated the largest charter movement in the history of the intercity bus industry when more than 560 of its buses carried 24,000 union members to Washington, D.C., for Solidarity Day.

To strengthen its Greyhound Package Express entity, the company added a new field sales organization. Greyhound's Package Express door-to-door pickup and delivery service was expanded in 1981 to 280 cities.

Ad spending for Greyhound bus lines dropped appreciably to $3.1 million in 1981 from $6.4 million in 1980, according to LNA figures. Greyhound spends very little on its other transportation units: Carey Transportation, Red Top Sedan Service, American Sightseeing Tours, Brewster Transportation, California Parlor Car Tours Co. and Gray Line Cos. Motor Coach Industries.

During 1981, Greyhound's board of directors elected John W. Teets as chief executive officer and Frank Nageotte as chief operating officer. The new management team also includes 24-year Greyhound veteran Ralph Batastini as president and chief financial officer.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$2,318,800	$2,251,600
Magazines	5,442,000	3,104,100
Spot tv	2,323,500	9,458,400
Network tv	33,131,800	24,155,100
Spot radio	8,766,000	2,552,100
Network radio	107,600	2,211,200
Outdoor	102,400	—
Total measured	52,192,100	43,732,500
Unmeasured	23,400,000	19,844,900
Estimated total	75,592,100	63,577,400

GREYHOUND CORP.

MARKETING PERSONNEL

Dorothy A. Lorant, vp-pr & adv

GREYHOUND LINES

MARKETING PERSONNEL

Ralph Borland, mktg director
Leslie Ellis White, pr director
Linda Klein, asst pr director

ARMOUR FOOD CO.

MARKETING PERSONNEL

N.A. Rago, vp & genl mgr, frozen food and food service
T.J. Fleming, vp-sales and mktg, fresh meat and processed meat
K.M. Davidson, director, pr
F.X. Tobin, vp-natl accts
P.L. Gupton, natl sales mgr, fresh meat
C.R. Brooks, vp-natl sales mgr, food service
W.D. Wallen, director, sales and mktg, processed meats
W.H. Heitz, director mktg, frozen food and food service
D. W. Tamsen, director, mktg services
F.W. Brown, mgr, mktg rsch

ADVERTISING AGENCIES

Bozell & Jacobs, Dallas—T. Dorgan vp-acct super, fresh and processed meats; P. Rabstein, mgmt super, frozen foods, new prods and food service; Dick Nagy, acct super, Tim Dorgan, acct super, processed foods, new prods.

Cramer-Krasselt, Chicago—Pfaelzer frozen gourmet meats.

ARMOUR-DIAL CO.

MARKETING PERSONNEL

R.E. Garabedian, vp-mktg
K. M. Davidson, director, public relations
H. Goldberg, senior vp-group mktg director, foods
P. Lustig, group mktg director, nonfoods
G. Buckland, prod group mgr, nonfood, new prods
W.B. Martin, senior prod group mgr, foods
G.S. Fritcke, prod group mgr, toiletries
M.G. Norman, prod group mgr, foods
W.F. Robertson, prod group mgr, soaps
W.H. Windham, vp-sales
C.H. Ferry, vp-customer devel
A.R. DeBolt, vp-sales, special mkts
R. Lei, prod group mgr, food, new prods
M.R. Shook, prod group mgr, Tone
P.F. Heising, prod group mgr, household
N.C. Marsh, vp-natl field sales—west
J.R. Webb, vp-natl field sales—east
D. Scott, director, mkt rsch
R. Oliva, director of creative services

ADVERTISING AGENCIES

Needham, Harper & Steers, Chicago—Dial soap, new prods—Gene Yovetich, mgmt rep.

Foote, Cone & Belding/Honig, San Francisco—Tone soap, canned meats, La Sauce, new prods—Jerry Scott, mgmt super.

Ogilvy & Mather, Chicago—Dial antiperspirant, Appian Way pizza, new prods—Bob Carlton, mgmt super.

Conill Advertising, New York—Spanish mkt adv, Dial soap, Tone soap, Armour Star canned meats, Greyhound Lines—Alicia Conill, president.

Bozell & Jacobs, Dallas—Frozen foods, new prods and foodservice—Dick Nagy, acct super; processed foods, new prods, Tim Dorgan. Paul Rabstein, mgmt super.

Gulf & Western Industries

	1981	1980
Sales*	$7,409,000,000	$6,911,000,000
Earnings*	290,900,000	255,300,000
Advertising	106,140,900	104,728,785**

*Fiscal years ended July 31, 1980, and 1981.
**Restated.

Gulf & Western Industries, New York, the 52nd largest national advertiser, increased its total U.S. media advertising expenditures 1.3% to $106.1 million in 1981. Its biggest advertising spenders were Paramount Pictures, Kayser-Roth, Simmons and Simon & Schuster.

Gulf & Western's net sales and other revenues were up 7%, and net earnings increased 14% for the fiscal year ended July 31, 1981.

The relative contributions of the company's operating groups in terms of operating income in fiscal 1981 were: Consumer and Agricultural, 30%; Financial Services, 23%; Manufacturing, 17%; Leisure Time, 16%; Apparel and Home Furnishings, 15%; Automotive and Building Products, 6%, and Natural Resources, 7%.

The Leisure Time group, with revenues of $1.13 billion in fiscal 1981, includes Paramount Pictures Corp. and its subsidiaries; Simon & Schuster, publisher of hardcover and paperback books; Madison Square Garden, the sports and entertainment organization; Famous Players Ltd., which operates motion picture theaters in Canada and France, and Famous Music Corp., which creates and publishes copyrighted music.

Paramount remained the corporation's biggest advertiser with expenditures of $48.5 million in fiscal 1981, compared with $48 million in fiscal 1980.

One of Paramount's biggest successes of 1981 was "Raiders of the Lost Ark," produced by George Lucas and directed by Steven Spielberg.

The film became the fourth-largest grosser of all-time with box office receipts of more than $200 million.

Paramount was nominated for 35 Academy Awards for films released in 1981, including three best picture nominations for "Raiders," "Reds" and "Atlantic City."

The Warren Beatty film "Reds" was nominated for 12 Academy Awards—more than any film since 1966.

Paramount's summer/winter release schedule for 1982 includes "Star Trek II—The Wrath of Khan," "An Officer and a Gentleman" and "Airplane II—The Sequel." "Star Trek II" established a new industry opening weekend box office record of $14.3 million in its first three days of release.

Paramount Television will have nine series on the air during the 1982-83 season, more than any other company. New Paramount TV shows on NBC's fall schedule include "Family Ties," "Cheers" and "The Powers of Matthew Star." NBC also has picked up the company's "Taxi" series, which was formerly aired on ABC. In addition to the renewal of three of Paramount's recent hits, "Happy Days," "Laverne & Shirley" and "Joanie Loves Chachi," ABC has added two new Paramount TV sitcoms to its lineup: "Star of the Family" and "The New Odd Couple."

Paramount TV's "The Winds of War," based on Herman Wouk's best-seller, is currently in post-production. Scheduled for February, 1983, on ABC, this 16-hour miniseries is one of the most ambitious projects in tv history.

James Clavell's "Shogun," the 1981 Emmy award-winning 12-hour miniseries, recently was introduced to foreign markets by Paramount Television International Distribution. Paramount's international sales arm has 10 network shows for fall, 1982, the largest of any international distributor.

First-run programing returning in the 1982 season from Paramount TV's domestic distribution division includes "Solid Gold," the musical variety show that has been sold in more than 124 markets and is totally supported through advertiser sales, and "Entertainment Tonight," the half-hour entertainment news show that receives station license fees as well as advertiser support and airs in 188 markets. Premiering in September, 1982, is "Madame's Place," a half-hour comedy series that is partly advertiser-supported and stars Wayland Flowers' creation, Madame. For the first time in its history, Paramount is selling four advertiser-supported theatrical releases directly into syndication, bypassing the networks as part of its First-Run Network concept. "Friday the 13th, Parts I and II," "Lipstick" and "The Fan" will be available for independent stations to air during the four major ratings sweep periods between fall, 1982 and fall, 1983.

Network properties such as "Taxi" and "Mork & Mindy" continue to be sold into syndication, joining such other series as "Happy Days," "Laverne & Shirley," "The Odd Couple," "Mission: Impossible," "Star Trek" and "The Brady Bunch." Total unrecognized revenues from agreements to telecast Paramount TV programs and motion pictures were more than $400 million at the close of fiscal 1981, compared with $330 million a year before.

The original programing arm of Paramount Video has produced several live theater productions on tape for the Home Box Office pay network including "Barefoot in the Park," "Plaza Suite" and "The Rainmaker." Also, Silhouette Books, a division of Simon & Schuster, has contracted with Paramount Video which will produce two-hour movies based on the popular Silhouette romance novels. Called "Silhouette Romance Theater," the first movie is expected to be in production within six months. Distribution of the "Silhouette Romance Theater" will be channeled through pay tv, regular cable, motion picture theaters and commercial tv on a worldwide basis.

Major licensing deals for pay tv include "Mommie Dearest," "Paternity," "Atlantic City," "First Monday in October," "Gallipoli" and "Dragonslayer." The Home Video section of Paramount Video leads the industry with its line of top-selling videocassettes.

In fiscal 1982, Sega Enterprises and the Miss Universe operations were transferred from other G&W operating groups to Paramount Pictures Corp. in the Leisure Time group. Sega, a 90%-owned subsidiary that designs, manufactures and distributes commercial electronic amusement games and operates amusement game centers in Japan and the U.S., had domestic advertising expenditures of $100,390 in fiscal 1981, compared with $121,180 in 1980. Advertising for the Miss USA and the Miss Universe Pageants (which attracted an estimated worldwide television audience of 700 million in 1981) is done by CBS, the network that airs both pageants.

Advertising expenditures for Famous Players Ltd. were $456,187 in fiscal 1981, compared with $37,775 in fiscal 1980.

Simon & Schuster spent $6.9 million in advertising during fiscal 1981, compared with $6.3 million in 1980.

Hardcover best-sellers in 1981 included "The Last Days of America" by Paul Erdman; "Goodbye, Janette" by Harold Robbins; "Elizabeth Taylor: The Last Star" by Kitty Kelly; "Mornings on Horseback" by David McCullough, which was an American Book Award winner in the Biography category; "Jane Fonda's Workout Book," and "Maria Callas" by Arianna Stassinopoulos. Major books being heavily advertised in 1982 include John Ehrlichman's "Witness To Power"; "Dutch Shea, Jr." by John Gregory Dunne; "The Prodigal Daughter" by Jeffrey Archer; "Lace" by Shirley Conran; Andrew Tobias' "The Invisible Bankers"; "Strategic Investing" by Douglas Casey; "Someone Else's Money" by Michael Thomas; "Schindler's List" by Thomas Keneally; Harold Robbins' "Spellbinder"; "A Cry in The Night" by Mary Higings Clark; "Monsignor Quixote" by Graham Greene; "Having It All" by Helen Gurley Brown, and Barbara Woodhouse's "No Bad Dogs." Pocket Books had a record year in sales and income, reflecting successful promotion of such best-selling titles as "If There Be Thorns" by V.C. Andrews, "Memories of Another Day" by Harold Robbins and "The Calder Series." In 1982, Pocket Books is presenting Paul Erdman's "The Last Days of America" and "The Hotel New Hampshire" by John Irving, as well as the new printing of John Irving's "The World According to Garp" to tie in with the release of the film this summer, and has also experienced great success with its new title, "Real Men Don't Eat Quiche" by Bruce Feirstein.

Silhouette Books has made a successful debut in the rapidly expanding romance novel market. The results have led to the introduction of three extensions to the Silhouette Romances line in fiscal 1982: A "First Love From Silhouette" series for teen agers (aged 10 to 15); a "Silhouette Special Edition" series of longer novels for women (aged 25 to 49), and "Silhouette Desire" series for single women (aged 18 to 34). A major tv and print campaign has been launched with five distinct themes for these new lines.

Madison Square Garden Corp., which spent $3.1 million in ad dollars in fiscal 1981, compared with $3.7 million in fiscal 1980, owns and operates the Madison Garden Center, the New York Rangers of the National Hockey League, the New York Knickerbockers of the National Basketball Assn., Marketing Concepts, Madison Square Garden Network, Hughes Television Network and Roosevelt Raceway in New York and Arlington Park racetrack in the Chicago area. The company also has an 80% participation in International Holiday on Ice. Madison Square Garden is aggressively expanding its role as a supplier of sports and entertainment programing for both over-the-air and cable television. In fiscal 1982, the Madison Square Garden Network will supply a 125-event package that is expected to be seen by more than one million basic cable subscribers in the New York metropolitan area and nearly 10 million viewers nationally.

The apparel and home furnishings group had net sales of $1.5 billion in fiscal 1981. The group is composed of Kayser-Roth, a diversified marketer and distributor of apparel, hosiery and textiles; Simmons Co., a worldwide leader in bedding products, and Simmons Universal, which produces a variety of home and institutional furnishings, healthcare equipment and burial caskets. In fiscal 1982, this group was expanded to include Consolidated Cigar Co. and has been renamed the consumer products group.

Kayser-Roth spent $22 million in advertising dollars for fiscal 1981, versus $21.2 million in 1980.

Some of its well known brand names include Catalina bathing suits and sportswear and its new Kurt Thomas Collection of men's warmup suits, Cole of California and Cole Jrs., Beach 'n Beyond, Sandcastle, Going Places, Excello, Her Majesty Industries children's wear, Oscar de la Renta menswear, Liz Claiborne, Cheryl Tiegs sportswear, Cresco, Century Sportswear, Champion, John Weitz, Stetson western shirts and outerwear, Mr. California, John Newcombe tennis wear and Kayser intimate apparel.

The hosiery division produces women's pantyhose and stockings under such brands as No Nonsense, Mojud, Supp-Hose and Jordache, which are distributed through supermarkets, drugstores, mass-merchandisers and department and specialty stores. The men's brands include Sock Sense, Interwoven, Jiffies men's socks, St. Moritz men's underwear, Supp-Hose and Fruit of the Loom. In fiscal 1982, Kayser-Roth acquired Burlington Hosiery and Socks, adding to its branded line names the Burlington, Leg Looks and Cameo labels in the ladies hosiery division and Levi and Adler in men's socks.

Kensington, the newly formed health and beautycare division of Kayser-Roth Hosiery, plans a major entry in September, 1982, into the fragrance market with Cameron for men and Pascalle for women. Both fragrances will be sold in drugstores, food stores and through mass-merchandiser outlets, somewhat similar to the successful distribution pattern established by No Nonsense.

During fiscal 1981, the bedding operations of Simmons U.S.A. and Simmons International were combined into a single unit, Simmons Co.

Simmons recently introduced the Beautyrest Gemini, which has been test marketed in Minneapolis, Atlanta and Seattle. The company claims this product represents a breakthrough in mattress construction because it is designed to enable two people with different sleeping requirements to sleep comfortably on the same bed. The Gemini mattress has two separate "Comfort Cores"—either conventional, hybrid water bed or inflatable cores. This mattress will be introduced nationally in fiscal 1983.

Bedding products are marketed under such brands as Beautyrest, Deep Sleep, Slumberking, Feelings, Beautyfoam, Hide-A-Bed sofas, Quietude, Maxipedic, Golden Value Simcopedic, and the flotation sleep system, a hybrid waterbed.

Simmons Universal is divided into three divisions: Decorative fabrics, wallcoverings and accessories; furniture, and caskets. Two companies in Simmons Universal's furniture division introduced new product lines in fiscal 1981: The Gulf & Western Healthcare Group continued to add to its broad line of products for the hospital, extended care and nursing home marketplaces, and Thonet Industries, a leading marketer of institutional furniture, introduced two new complete lines of swivel seating targeted for the office furniture market.

The decorative fabrics, wallcoverings and accessories division is divided into three product lines: Fabrics, which includes Greeff, Bloomcraft and Century curtain; wallcoverings, which includes Albert Van Luit and Katzenbach & Warren, Old Stonemill and Ronkonkama, and accessories, which includes Raymor/Moreddi and Artisan House.

Upholstered furniture is marketed under the Selig brand. Institutional furniture is produced by Thonet Industries and Gulf & Western Healthcare. Infant and youth furniture is manufactured by Simmons Juvenile Products Co. under the Little Folks brand name.

Burial caskets are marketed wholesale to jobbers and distributors under the Elgin/York brand. Direct sales to funeral directors are made through Simmons.

The consumer and agriculture products group (recently renamed the food products group) had net sales of $669.1 in fiscal 1981. Although there was a reorganization of this group in fiscal 1982, last year it consisted of primarily two operations, Consolidated Cigar and agricultural products.

Consolidated Cigar retained its first-place position in the U.S. cigar market with a 30% share of dollar volume. The leading domestic brands include Dutch Masters, El Producto, Muriel, Backwoods and Ben Franklin. Allied Products include Mixture No. 79, Sutliff Private Stock and Old Grand Dad pipe tobaccos; Rogers pouches, and Nimrod lighters. G&W is in the process of selling Con Cigar to MacAndrews & Forbes Group for $105 million.

Backwoods Smokes completed its national rollout in September, 1981, and has forged ahead to become the largest dollar volume small cigar in the industry.

Agricultural products spent $938,720 for advertising in 1981 and $833,771 the previous year. Included in the 1980 totals is $2 million spent by Schrafft's, which was divested during fiscal 1981.

The financial services group, with revenues of $1.71 billion in fiscal 1981, is primarily composed of Associates Corp. of North America, which provides a broad range of consumer lending, commercial financing and insurance services, and Providence Capitol International Insurance Ltd., which underwrites a full line of insurance products and develops and manages real estate properties.

The automotive and building products group had net sales of $560.4 million in fiscal 1981. The major advertiser in this group is American Parts System (APS), a leading distributor of automotive replacement parts.

The total spent by this group was $1.3 million in ad dollars for 1981, compared with $962,419 in 1980.

Gulf & Western's other operating groups, manufacturing and natural resources, had advertising expenditures of $1.96 million and $34,616, respectively, in fiscal 1981. In 1980 the manufacturing group spent $1.7 million for advertising.

Gulf & Western's fiscal 1981 corporate advertising expenditures were approximately $296,319, compared with $620,000 in 1980.

ADVERTISING EXPENDITURES

	1980	1981
Newspapers......	$5,027,600	$3,229,400
Magazines.......	4,660,100	5,071,000
Spot tv............	23,160,400	12,464,800
Network tv........	27,064,500	23,881,400
Spot radio........	887,400	1,458,500

Network radio...	448,100	451,100
Outdoor...........	252,400	177,900
Total measured	51,450,500	46,114,100
Unmeasured...	47,030,400	58,611,885
Estimated total	100,140,900	104,725,785

GULF & WESTERN INDUSTRIES

CORPORATE PERSONNEL

William A. Blodgett, vp-corporate communications
Jerry Sherman, asst vp-pr director
Paul F. Pickard, mgr-communications planning

PARAMOUNT PICTURES CORP.

CORPORATE PERSONNEL

Jon J. Gould, vp-corporate communications

MARKETING PERSONNEL

Motion Picture Division

Frank Mancuso, president-Paramount distribution
Martin Kutner, senior vp-domestic distribution
Gordon Weaver, senior vp-worldwide mktg
Thomas Campanella, vp-natl adv
Sergio Campagnola, vp-asst sales mgr
Shelly Hochron, vp-adv/creative services
Kathy Jones, vp-publicity & promo
Barry London, vp-genl sales mgr
Alfred LoPresti, vp-worldwide tech facilities
Dianne Mardell, vp-merch and licensing
Brenda Mutchnick, vp-West Coast adv
Susan Pile, vp-West Coast publicity
Steve Rapaport, vp-sales operations
Steve Rose, vp-sales operations
Buffy Shutt, vp-asst to president-Paramount distribution.

Paramount Distribution

David Van Houten, vp-intl mktg

Television Production Division

Richard Winters, exec director-publicity/adv

Television & Video Distribution Division

Rick Weidner, vp-adv & promo services, home video division
Hollace Brown, vp-adv & sales promo

ADVERTISING AGENCY

Diener/Hauser/Bates, New York.

SIMON & SCHUSTER INC.

MARKETING PERSONNEL

Trade Book Division (hard cover)

Strome Lamon, vp & corp adv director
Sam Meyerson, vp-mail order sales
Elaine Marion, director-mktg services
Pocket Books (paperback)
Peter Minichiello, vp-adv director

Silhouette Books

Al Lieberman, senior vp & mktg director
Mona Altman, director-mktg communications
Bud Egberg, senior vp-sales
Fred Milman, senior vp-Simon & Schuster Enterprises

ADVERTISING AGENCIES

Schwab/Beatty, New York.
Geer, DuBois, New York.
Franklin Spier Inc., New York.
Ogilvy & Mather Merchandising.
Ogilvy & Mather Direct Response.

MADISON SQUARE GARDEN CORP.

CORPORATE PERSONNEL

James Trecker, director-corp communications, Madison Square Garden Center
Robert J. Cole, director-adv

ADVERTISING AGENCIES

MSG Advertising (inhouse).
Sports Advertising (inhouse).
Harrison Higgins, New York.
Ash/Le Donne, New York.

KAYSER-ROTH

CORPORATE PERSONNEL

Maurice Forman, director-mktg devel, Catalina
Patricia L. Shaeff, division adv mgr

MARKETING PERSONNEL

Cole of California

Sheri Mobley, division adv mgr

Crown Textile

Richard Sheer, president

Kayser-Roth Men's Apparel Group

Marvin L. Kahn, president

Oscar de la Renta Menwear

Joe Gordon, president

Champion

Edwin J. Berkowitz, president

Mr. California

Arthur Folgeman, president
Frank Izo, vp-natl sales mgr

Excello

Joe Losgar, president

Her Majesty Industries

June H. Cheek, president

Kayser-Roth Hosiery Group

Jack R. Hobert, president
K-R Socks, branded prods div
J.B. Adams Jr., president
Jay Barnes, mktg group prod mgr-Interwoven division
Ed Curry, brand mgr-Jiffies division

Kensington

Richard J. Gyde, president

Ladies Hosiery

Richard M. Brigden, president
Sam McCormick, mktg director

No Nonsense Fashions

John E. O'Brien, president
Richard F. Carter, vp-mktg
Robert C. Mecklenburger-group brand mgr
Justo L. Nunez, group brand mgr
Frank M. McIntire, group brand mgr

K-R Intimate Apparel

Elaine Tirella Salerno, division adv mgr

K-R Gloves & Accessories

Nina McLemore, president

Rolane Corp.

Cecil Sherman, president
Art Williams, adv director

ADVERTISING AGENCIES

Keye/Donna/Pearlstein, Beverly Hills, Cal.—ladies' division, Kayser-Roth.

Taylor & Co., Beverly Hills, Cal.—men's division, Kayser-Roth.

Michelson Advertising, Los Angeles—Cole of California.

Altman, Stroller, Weiss, New York—Crown Textile.

Anesh, Viseltear, Gumbinner, New York—Kayser-Roth Men's Apparel Group, Oscar de la Renta Menswear, Champion, Excello.

Leslie Advertising, Greenville, S.C.—Her Majesty Industries

Grey Advertising, New York—Kayser-Roth Hosiery Group, Ladies Hosiery, No Nonsense Fashions.

Hannibal Figliola, New York—Kensington.

Cunningham & Walsh, New York—No Nonsense Fashions.

Mintser, Trossler & Rothschild, New York—K-R Intimate Apparel.

Park Place Group, New York—K-R Gloves & Accessories.

Trone, Donohoe & Johnson, Greensboro, N.C.—Rolane Corp.

SIMMONS CO.

(includes Simmons Casket Co. Gulf & Western Healthcare, Thonet Industries, Simmons Juvenile Products Co. Albert Van Luit & Co. and Artisan House)

MARKETING PERSONNEL

Robert Magnusson, president
Richard Smith, vp-mktg
Larry Alm, director-adv & pr

Simmons Universal

Frank Rosenberry, president

ADVERTISING AGENCIES

McDonald & Little, Atlanta—Simmons.

Springtime Advertising (inhouse)—Simmons.

Goodchild & Edison, Providence, R.I.—Simmons Casket Co.

Marjorie Katz Design, New York—Gulf & Western Healthcare, Thonet Industries.

Butz & Campbell, Chicago—Simmons Juvenile Products Co.

Scott, Lancaster, Mills & Atha, Los Angeles—Albert Van Luit & Co.

Nadler & Larimer, New York—Artisan House.

CONSOLIDATED CIGAR CORP.

MARKETING PERSONNEL

James P. Brown, senior vp-mktg
Philip E. Penberthy, vp-mktg
Henry E. Bass, vp-sales/sales devel
Joseph G. DeVico, pr director
Andrew Edmond, mktg rsch director
Don Young, group prod mgr
Larry Hausner, brand mgr
Eric Workman, brand mgr

ADVERTISING AGENCY

Nadler & Larimer, New York.

GULF & WESTERN MFG CO.

MARKETING PERSONNEL

Thomas H. Smith, director-adv/pr
William E. Green, director-mktg

ADVERTISING AGENCIES

Josephson, Cuffari & Co., Montclair, N.J.

Jaqua Advertising, Grand Rapids, Mich.

Creamer Inc., Providence, R.I.

R.I. Reigner & Associates, Southfield, Mich.

Keller Crescent, Evansville, Ind.

Miller Advertising, Jenkintown, Pa.

Creswell, Munsell, Fultz & Zirbell, Cedar Rapids, Ia.

McCarron, Kane, Burbank, Cal.

Huntington Graphics, Abington, Pa.

Horton, Church & Goff, Providence, R.I.

Goodchild & Edison, Providence, R.I.

Greenstone & Rabasca Advertising, Melville, N.Y.

Bonner McLane Advertising, Austin, Tex.

AMERICAN PARTS SYSTEM (APS)

MARKETING PERSONNEL

Fred J. Pisciotta, president
Montie C. Loney, vp-admin
Robert E. Casper, director-adv & pr

GULF & WESTERN NATURAL RESOURCES GROUP

MARKETING PERSONNEL

Gordon R. Smith, vp-corp communications
Ryland L. Hoskins, director-corp communications

ADVERTISING AGENCY

Holder, Kennedy & Co., Nashville and New York.

ASSOCIATES CORP. OF NORTH AMERICA

MARKETING PERSONNEL

Gary I. Kastel, senior vp-corp communications

ADVERTISING AGENCY

Point Communications, Dallas.

ASSOCIATES FINANCIAL SERVICES CO.

MARKETING PERSONNEL

Karman Wallace, senior vp-mktg services
Dan Vandergrift, senior vp-operations

ADVERTISING AGENCY

Bozell & Jacobs, Dallas.

ASSOCIATES COMMERCIAL CORP.

MARKETING PERSONNEL

D. F. Edwards, vp-transportation mktg
J. M. Ganster, vp-equipment mktg
D. F. Herrick, senior vp-business loan mktg
R. J. Maggiore, vp-communications mktg
Clifton Noble, vp-corp mktg services

ADVERTISING AGENCY

Stern Walters/Earle Ludgin, Chicago.

ASSOCIATES DIVERSIFIED SERVICES

MARKETING PERSONNEL

J. B. Riler, senior vp-mktg.

ADVERTISING AGENCY

Bozell & Jacobs, Dallas.

AFC SECURITIES

MARKETING PERSONNEL

T. L. Potts, senior vp

ADVERTISING AGENCY

Tracy-Locke/BBDO, Dallas.

H.J. Heinz Co.

	1981	1980
Sales*........	$3,688,500,000	$3,568,889,000
Earnings.....	192,802,000	160,827,000
Advertising**	160,175,000	125,291,000†

*Fiscal year ends April 28
**Company estimate for calendar years
†Restated

H.J. Heinz, the nation's 36th largest national advertiser, spent an estimated $160.2 million on domestic advertising in 1981, a 28% increase over 1980 expenditures of $125.3, a figure $23.5 million higher than 1979 spending.

Fiscal 1981 saw Heinz increase its sales and earnings for the 19th consecutive year. Consolidated sales rose 3.4% to $3.688 billion and net income increased 19.9% to $192.8 million.

Heinz markets more than 1,200 products worldwide, including such widely recognized brands as 9-Lives cat food, Star-Kist tuna, Ore-Ida frozen foods, Heinz tomato products and Weight Watchers products and services.

In recent years the company has significantly increased advertising and promotional support for its branded products.

According to company figures for fiscal year ending April, 1982, the company spent $240 million for product promotions—including $148 million in media advertising—in its domestic and overseas operations, compared with only $28 million spent 10 years ago. Plans call for $280 million in marketing expenditures for the next fiscal year.

The increased ad support arises from the basic business strategy the company has embraced in recent years. Said Heinz chief executive officer Anthony J.F. O'Reilly, "We are utterly dedicated to the pursuit of our ultimate goal to be the low-cost producer in all the major markets we are in," and Heinz is generally recognized as having achieved that status in its potato, tuna and tomato-based operations. The strategy calls for paring inventories, phasing out unprofitable lines, and closing plants that cannot be modernized. Since 1977, for example, the company has shut down 15 factories or consolidated their operations into other facilities.

Heinz executives see the possession of the leading market share as a key to becoming the low-cost producer in a category, and many strategic decisions turn on the company's evaluation of a product's potential for achieving a strong or leading market share. Such considerations have prompted Heinz to concentrate the brand's marketing efforts in the Northeast—where it has its largest market share—and a few Midwest markets such as Chicago and Des Moines, instead of bringing it national. Measured media advertising support for La Pizzeria frozen pizzas dropped from $4.9 million in 1978 to $473,000 in 1981 as the company refocused marketing efforts toward the trade rather than consumers. However, the company has been patient with the shaky performance of Mrs. Goodcookie ready-to-bake frozen cookies, which was rolled out in 1978. The company explains that "the entire sweet goods category is still having problems" associated with the economy, but claims sales of Mrs. Goodcookie have stabilized, and that it "is definitely not a dead brand." Measured media support, which had reached a high of $1.7 million in 1979, was virtually eliminated by 1981 as the company substituted tv support with (unmeasured) newspaper advertising.

More recently, Heinz officials have voiced disappointment with the company's pickle operations that trail far behind the market leader, Vlasic. The company has pulled back advertising support for its pickle products, whose measured media support had reached a high at $750,000 in the mid-1970s and now has been virtually eliminated. Heinz has consolidated its pickle production and is currently studying new marketing approaches with an eye to enhancing the profitability of its pickle operations.

Similar reevaluations may be under way at Heinz' baby food operations which have seen measured media support shrink to $215,000 in 1981 from a high of $332,000 in 1979. The baby food brand's 15% share puts it in a neck-and-neck battle with Beech-Nut for the No. 2 spot in the market, far behind Gerber's intimidating 70% share.

At the same time that Heinz' strategy calls for trimming unpromising businesses, it also emphasizes the need for providing strong marketing support for its successful brands, with company officials arguing that "heavy spending against the consumer is as vital for established brands as it is for new entries" and that "brand reinforcement [of strong brands] should have top priority for [food] manufacturers in the 1980s."

The domestic ketchup operations—Heinz' most heavily advertised line—clearly illustrate the application of this philosophy. Excluding newspaper advertising, measured media support for Heinz tomato ketchup soared to $11 million in 1981, up sharply from the $6.6 million in 1980. The record high advertising expenditures paid off by helping the brand increase its domination of the market, pushing its share to a record 47% (up from 44% in 1980).

Major consumer promotions, including a Free Hamburger Giveaway IV, a Free Chicken Offer and several premium offers provided additional support for the brand, which company officials say outsells each of its national competitors by nearly 4 to 1. Industry sources also point out that Heinz now controls a staggering 84% of the food service market.

On the retail side, the introduction of a 44-oz bottle in 1980 also has contributed to the brand's growth. The large size captured 10% of the national market in the first year after introduction and now accounts for 25% of the company's share of total grocery market sales. Lite ketchup, which went into test markets in 1980 and which is advertised as having only half the calories of regular ketchup, is reportedly continuing to do well where it is distributed. Company officials report that Heinz chili sauce is the category's No. 1 brand with a 50% share of the national market, despite negligible measured media support.

The $3.3 million spent on Heinz 57 steak sauce in calendar year 1981 represented a decline from 1980's record $4.1 million, but still was easily the brand's second-highest, single-year ad investment. Ads included a "Brush Up" campaign featuring a versatile glaze recipe for chicken, ham and ribs. Couponing also was increased, possibly in response to increased competition as Lea & Perrins steak sauce moved into national distribution last winter. Heinz' 30% share makes it the No. 2 brand in the category, which is dominated by Heublein's A.1. sauce, which controls 60% of the market.

The Heinz Homestyle gravy line, which ranks as No. 2 in the ready-to-serve gravy category, has launched a cream gravy into the southeastern and central U.S. and increased its measured media spending last year to $2.3 million, up from $1.8 million. The company also rolled national with its seafood cocktail sauce and tested an extended-use print campaign for its vinegar products, positioning them as the answer for removing mineral deposits in automatic drip coffeemakers, tea kettles and steam irons.

The Weight Watcher operations continue to gear up for major growth, with measured media support increasing substantially to $6.9 million in 1981, compared with $5.2 million in 1980. Particularly notable was the increase in support for Weight Watchers' classes, which rose to $3.3 million in 1981, compared with $2.3 million in 1980.

The efforts to attract members will use the organization's 20th anniversary as a theme, and Weight Watchers will launch its first prime time network tv promotion this fall. The organization also launched a mailing last summer to reach 4.5 million former members about a new diet plan that allows such food as popcorn, peanut butter, honey, wine and beer, and a 2.5-million-piece co-op mailing to former members is planned for March, 1983.

Research showing that 60% of those who currently buy the products are people who go through the class system undoubtedly helped spur the efforts to increase class membership, which currently includes about 2.5 million active classroom attendees, said Mr. O'Reilly in a recent address to Securities Analysts of San Francisco.

The company reports that Weight Watchers frozen entrees enjoyed strong growth behind the reformulations and reintroductions of 19 frozen meals. The reintroduction was supported with a $7.1 million media budget for fiscal 1982 that emphasized regional and network tv as well as an extended national print campaign. In addition, defensive spending against a competitive Stouffer's introduction has contributed to increased consumer interest in low-calorie frozen food entrees. Plans call for continuation of strong tv and print support, and attention is also being focused on test market introduction of Weight Watcher desserts.

Weight Watchers Treat bars (chocolate, chocolate mint and orange-vanilla), thin-sliced white and wheat breads and yogurt have expanded out of test markets and are being rolled national. Weight Watchers new products currently in test include ice cream sandwiches, a six-item line of frozen dessert cakes and a seven-variety line of pourable salad dressings.

Recent tuna industry problems caused by an oversupply of tuna and by consumer shifts to cheap protein alternatives like cheese and chicken may turn out to be a blessing in disguise for Heinz' Star-Kist operations. Though Star-Kist profits were pinched by heavy price discounting by private label and generic tuna processors, Star-Kist is weathering the difficulties much better than are its two major competitors, with both Ralston Purina's Chicken of the Sea and Castle & Cooke reportedly running in the red this year.

A large part of the reason that Star-Kist has been more insulated from the depressed industry conditions than are other processors is its capacity for using tuna by-products in pet food. In particular, the company's 9-Lives brand controls 34% of the specialty canned cat food market, whereas Ralston Purina has only an 8% share and Castle & Cooke does not produce pet food.

And Star-Kist has made moves to take advantage of its current upper hand, including sharp increases in advertising that raised measured media spending to $7 million in 1981, compared with $5 million in 1980. This included continuation of the brand's "spring water/half the calories" campaign to support the water-packed tuna products that now account for 52% of total tuna sales, up from only 28% in 1979. Star-Kist also introduced single-serving pull-top cans last summer.

The increased ad efforts have helped strengthen Star-Kist's market share of the 27.4 million-case tuna market to almost 31%, up from 1980's 29%, despite the increased competition from private label and generic processors, which have increased their total market share to 25% from 17% last year. In contrast, major competitor Chicken of the Sea cut its measured media ad support to $2.8 million in 1981, from $4.5 million in 1980, and saw its market share plunge to 21% from last year's 29%.

Heinz' interest in marketing pilchard, a sardine-family tuna substitute which some industry observers had believed could capture as much as 5% of the $1.3 billion U.S. tuna business by 1984, seems to have waned as a result of the oversupply of tuna.

The cat food business has been the healthiest part of the Star-Kist group, led by canned cat food sales that rose 9% and increased their market share to a dominating 33% of this segment. This growth was spurred by an increase in measured ad support to $4.8 million in 1981, compared with $4.3 million in 1980. Three new sliced meat flavors were introduced last year, and a new premium-price, ultra-gourmet canned cat food, Amore, also was placed in four test markets last winter using an ad theme that it is "more than a cat food—it's love!" Heinz reportedly is ready to roll out Amore this fall.

On the negative side, industry sources say market shares for semimoist and dry cat foods both fell half a point to 8% and 14% shares of their segments, respectively. Measured ad support rose to $1.8 million from $1.4 million. In an effort to capitalize on the growth of larger sizes within the semimoist segment, 9-Lives Soft Moist is expanding a new large 18-oz. size into 50% of the U.S. Ads will continue to stress the product's palatability and convenience using the Muppet-type character "Walter Le Cat" as its spokescat. The 9-Lives dry cat food line introduced a new and improved product that is "basted with real meat juices."

The various 9-Lives dry, semimoist and canned cat food products combine to repesent 18% of all commercially prepared cat food sales, reflecting the fact that dry products represent the bulk of the industry.

Star-Kist's dog snacks entries—Jerky Treats and Meaty Bone dog biscuits—both have seen strong volume growth in the last year. Sales of Meaty Bone, which became available in about half of the U.S. this summer, rose 100%, and the brand's measured media spending in 1981 rose to $967,400, more than three times the $293,100 spent in 1980. Unit volume of Jerky Treats, now nationally distributed, climbed 14%. No ad budgets were available. When combined, the two products accounted for 16% of all dog snack dollar sales in 1981.

Meaty Meal, a meat-coated dry dog food, was moved into upper Midwest test markets in June, 1981, and was supported by $298,900 in measured media in 1981. There has been speculation that Heinz is interested in acquiring another pet food manufacturer and is using Meaty Meal to test opportunities in the dog food market.

Heinz' Ore-Ida brands, which account for 55% of the category's dollar volume, enjoyed sharp increases in measured media support, reaching $9 million in 1981, compared with $7.3 million in 1980. Last year's ad efforts included a new tv campaign aired last fall that featured several celebrity spokesmen, including: Rich Little for Tater Tots; Muhammed Ali for hash browns, and an animated Superman for fries.

The company also expanded its efforts directed at the Hispanic market following the success enjoyed by such programs in test markets. The effort used daytime and nighttime slots in 16 major Hispanic markets around the country. Ore-Ida consumer promotion coupon and refund offers also have been increased significantly, featuring tie-ins with other food companies.

Ore-Ida new products activity included: National expansion of Home-Style potatoes with skins left on, a product designed to tie into the rising consumer interest in natural and wholesome foods; the expansion of Crispy Crowns—a two-item line of formed potatoes in plain and onion flavors—into new markets and toward national distribution, and the beginning of tests of Golden Patties, a new oven-prepared hash brown. An essential part of Ore-Ida's future growth is expected to come as a result of convincing large numbers of housewives to use Ore-Ida's ready-prepared products rather than preparing their own potato dishes from scratch. Company officials indicate that new product introductions and expansions are anticipated to continue, and there has been speculation that products yet to be unveiled may go beyond just potato items to include such things as potato-based casserole dishes.

Heinz also has high hopes for its Gagliardi Bros. operations. Advertising and promotion spending has increased sharply behind the recently completed national rollout of Gagliardi's Steak-umm frozen steak sandwiches, with measured media spending in 1981 totaling $4 million, compared with $1.2 millon in 1980. Sold in 32, 24 and 14-oz. packages, Steak-umm enjoys a 60% share of the market in its New York stronghold. Ads for the products use a "Got a Minute" theme, stressing not only taste and quality, but also the convenince of a product that cooks in 60 seconds.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$2,964,100	$2,569,700
Magazines	4,830,200	4,931,500
Spot tv	17,083,200	15,491,500
Network tv	33,331,200	24,740,100
Spot radio	109,000	256,200
Network radio	82,600	—
Outdoor	7,100	4,700
Total measured	58,407,400	47,995,700
Unmeasured	101,767,600	77,295,300†
Estimated total	160,175,000	125,291,000*

*Restated

HEINZ U.S.A.

MARKETING PERSONNEL

Consumer Products Division

J. Crawshaw, genl mgr, condiment and sauces mktg
W. Johnson, genl mgr, new business mktg
J.P. Berger, group prod mgr, food service mktg
S.W. Scott, group prod mgr
K.A. Connor, category mgr, Weight Watchers
J.A. Gordon, senior mgr, adv, promo and design

Package Goods Division

C.L. Roberts, vp
A.D. Witteman, genl business mgr, soup, beans, baby food
W.H. Van Duzer, genl business mgr, pickles, vinegar, sauces

Sales Division

W.V. Costello, vp
Jon Peterson, genl mgr, grocery sales
T.R Jonell, genl mgr, food service sales

ADVERTISING AGENCIES

Food Group, New York—foodservice prods—Don Axelrod, president.

Doyle Dane Bernbach, New York—Weight Watchers—Bob Freeman, vp-mgmt super.

Leo Burnett USA, Chicago—ketchup, pickles, relishes, gravy, baby food—Tom Ross, vp-acct director.

Ketchum Advertising, Pittsburgh—57 Sauce, barbecue sauce, vinegar, Alba, corp and U.S. pr—Bill Stein, vp-mgmt super.

STAR-KIST FOODS

MARKETING PERSONNEL

R.L. Scharer, vp-mktg
W.H. Gassett, genl mgr
J.D. Kerr, mgr, adv/sales promo
A.A. Ayotte, natl sales mgr
H.H. Seigler, group prod mgr, seafood
R.L. Wilkerson, group prod mgr, pet food

ADVERTISING AGENCIES

Leo Burnett USA, Chicago—Chuck Mills, mgmt director.

Norton Co., Los Angeles—foodservice—Tim Norton, president, acct exec.

ORE-IDA FOODS

MARKETING PERSONNEL

Dietmar Kluth, vp-sales mktg
Wayne Durfey, genl mgr, food service
Geoffrey V. Supko, genl mgr, retail mktg
M. Vince Shaar, genl mgr, retail sales
Martin V. Thomas, genl mgr, sales & mktg services
Stanford P. Darger, genl mgr, mktg-Foodways National
John W. Bauer, genl mgr, retail mktg, Gagliardi Bros.

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Grant Roberts, senior vp-mgmt super; Jerry Brady, senior vp-mgmt super.

Foote, Cone & Belding/Honig, San Francisco—Henry Whitfield, acct super.

Norton Co., Los Angeles—foodservice—Tim Norton, president, acct exec.

WEIGHT WATCHERS INTERNATIONAL

MARKETING PERSONNEL

Kent Q. Kreh, vp-mktg business devel
Robert F. Laub, vp-franchisee and classroom mktg

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Irwin Satin, mgmt super.

Graber & Cohen, New York—Julian Cohen, mgmt super.

Hershey Foods Corp.

	1981	1980
Sales	$1,451,000,000	$1,335,289,000
Earnings	80,362,000	62,055,000
Advertising*	56,516,000	41,300,000

*AA estimate

Hershey Foods Corp., Hershey, Pa., the nation's 86th largest national advertiser, increased its advertising 37% to $56.5 million in 1981, a far cry from its parsimonious media advertising spending habits which underwent a transformation at the turn of the 1970s.

Hershey's was a celebrated advertising holdout for its first seven decades. That changed when its first-ever national ad campaign was launched in 1970. It has increased ad spending at a faster clip than a handful of the other major advertisers. From 1975 to 1980, for example, Hershey ad spending increased at a compounded rate of 34% a year. The 36.8% increase for 1981 speeds the pace, and the more than $15 million it represents is the company's biggest-ever dollar increase in annual ad spending.

Paralleling the ad spending increases have been very solid sales and earning advances. Last year was no exception. Consolidated sales in 1981 were $1.45 billion, up 9% from 1980. Earnings rose 30% to $80.4 million from $62.1 million. Hershey Foods' first-half 1982 sales were a record $704.8 million, up 3.7% from $679.6 in the first six months of 1981. Net income was $42.7 million in the first half, a 20% increase over the same 1981 period. Operating earnings rose 13% in 1982's first six months to $77.2 million from $68.2 million in 1981's first half.

Chocolate is Hershey's most famous line of business, but it's not the only one. In addition to the Hershey Chocolate Co. division, the nation's leading domestic producer of chocolate and cocoa, it operates the Friendly Ice Cream Corp. restaurant chain; the San Giorgio-Skinner Co., a major pasta products producer, and Cory Foods Services, one of the largest purveyors of coffee services in the U.S. and Canada.

Hershey is also expanding internationally. The growing importance of the Canadian market, for example, was recognized last year by the reorganization and transferral of all chocolate and confectionery operations in Canada to the Hershey Canada subsidiary. All non-Canadian activities, meanwhile, were regrouped under a new subsidiary called Hershey International. Ltd. Those activities include operations in Mexico, Brazil and the Philippines, and export activities in Japan.

A major capital improvement project of Hershey's is construction of its new 450,000-sq.-ft. confectionery plant in Stuarts Draft, Va., scheduled to be operational later this year. Hershey executives say the plant, whose total building and equipment costs may approach the $120 million mark, will enable the company to better exploit new product introductions and meet increasing production demands of existing products.

Hershey Chocolate Co., which accounts for approximately 70% of the company's consolidated sales, achieved a sales milestone in 1981. It topped the $1 billion mark in sales for the first time and ended the year at $1.1 billion. The company's principal product groups are bar goods, bagged items, baked ingredients, chocolate drink mixes and dessert toppings. They are marketed under more than 30 brand names and sold in over a million retail outlets.

Six of Hershey's traditional products—Hershey's Milk

Chocolate and Almond bars, Hershey's Kisses, Hershey's syrup, Hershey's chocolate baking chips and Reese's peanut butter cups—account for approximately half of Hershey Chocolate Co. sales.

The traditional Hershey's/Reese's products were the chief contributors to the 1981 sales increase. The Big Block (thicker bars) line, introduced in late 1980, exceeded sales expectations. Hershey's Kisses, meanwhile, have now doubled in sales volume in the last 3½ years.

The special markets group, formed two years ago to concentrate on selling mass-market branded products as gift items and fund-raisers, and on bulk sales to industrial and institutional users, continues to exceed expectations. Sales have doubled in less than three years.

Y&S Candies, acquired in 1977, and whose sales have doubled since then, now has the largest-selling licorice candy line in the U.S.

On the new product front, Hershey began testing New Trail granola bars earlier this year. The introductory ad campaign is targeted to the women's market. Skor, a chocolate-toffee bar under license from AB Marabou of Sweden, and Frostin', a line of ready-to-spread cake frostings, also were introduced in regional test markets. Whatchamacallit, meanwhile, completed its first full year in national distribution, and Reese's Pieces achieved national distribution.

During the 1981 summer, Hershey joined the American Dairy Assn.'s "Dairy Days USA" campaign. In a separate tie-in, Hershey offered a refund for a half-gallon of milk with the purchase of two 24-oz. bottles of Hershey syrup. In the fall, the company gave its Mr. Goodbar brand an expanded promotional push.

Chocolate and confectionery product sales in Canada showed significant gains. New products introduced in just the last three years now account for one-quarter of Hershey's Canadian sales. Those new products include Special Crisp (the Canadian version of Whatchamacallit), Reese's Pieces, Reese's Crunchy peanut butter cups, Y&S Allsorts, Top Scotch, a sundae topping, and Brown Cow, a milk modifier.

Hershey announced in March that it was raising the wholesale price of its standard bars 20% and the weight an average of 28%, resulting in a lower price per ounce for the bars. Some bars were raised in weight as high as 38%. The end result: A marketing standoff and elimination, for the time being, of two-tier prices.

At the same time, Hershey also increased its Big Block bar size while holding the line on its 50-cent price tag.

Hershey has also been trading salvos with M&M in a cash refund effort. Hershey took the offensive by offering coupons totaling $2.75 to customers sending in 22 Hershey wrappers. M&M followed up with an offer of refunds as high as $5 to those sending in 60 wrappers.

Between them, Mars and Hershey share about one-third of the U.S. confectionary market, and about two-thirds of the chocolate business.

Hershey's most heavily advertised products last year were: Hershey's candy bars, receiving more than $7 million in measured media support, 60% above the $4.4 million of measured support the previous year; Reese's candies, $4.6 million; Hershey Chocolate Kisses, $3.7 million; Whatchamacallit, $3.7 million, up more than $1 million from 1980; Hershey chocolate syrup, $3.1 million; Reese's Pieces, $2.9 million; chocolate chips, $2.3 million; Rolo candy, $1.6 million, and Hershey candies, $1.4 million. Hershey's $679,000 measured network radio spending total was focused on two products: $462,000 to Reese's candies and $217,000 to Rolo candy.

Hershey's advertising policy drew kudos from the Coalition for Better Television in July, when it called off its threatened boycott of selected advertisers. The coalition praised Hershey for its ad policy, a policy that rules out advertising on tv programs that "feature or incite excessive violence and antisocial behavior."

At the same time, the coalition also encouraged supporters to buy Hershey products "over those of their competitors." Their statements piqued various advertising association executives. Hershey, meanwhile, acknowledged "flattery" at the Coalition's endorsement, but added that it does not "consciously seek" such endorsements.

Friendly Ice Cream Corp., acquired by Hershey in 1979, continued its "modification program" begun five years ago. The program has repositioned it as an informal family restaurant, rather than a neighborhood ice cream and sandwich shop.

Fifteen new restaurants joined the chain, which at yearend numbered 626. They are located in 16 states in the Northeast and Midwest. The additions were offset by the closing of several of the chain's older restaurants, and the selling of its nine Jim Dandy restaurants.

A major ice cream promotion during the summer of 1981 spurred Friendly's ice cream sales. There were also tv-supported promotions for the chain's new breakfast sandwiches. But perhaps Friendly's biggest marketing success last year was the introduction of a Reese's Pieces Sundae. More than 1 million sundaes sold, making it one of Friendly's most popular sundae ideas ever. Late in the year, several new ice cream pie and cake products were test marketed. In total measured media support, Friendly received approximately $3 million of spot tv advertising last year.

San Giorgio-Skinner, Hershey's pasta division, markets products in approximately 50 major U.S. markets, and consists of four regional pasta companies: San Giorgio Macaroni, Lebanon, Pa.; Delmonico Foods, Louisville; Procino-Rossi Corp., Syracuse; and Skinner Macaroni Co., Omaha. Together, the four regional companies combined to show an over-all 2% sales increase last year, a difficult year for pasta producers.

San Giorgio brand products increased its market share in its markets, according to Hershey officials. Skinner brand products, meanwhile, were expanded into the Iowa market. Several new P&R brand items joined the product lineup, and the Gold Medal brand was repackaged and repositioned as an economy brand in its Southeast markets.

To combat generic brand advances, San Giorgio-Skinner touted its products with a new commercial last year that stressed quality and hammered away at the theme: "It's silly to skimp on pasta."

Cory Food Services had declining sales for a second straight year, attributed to the poor economy. Also hampering Cory's growth is the trend toward decreased per capita coffee consumption in the U.S. To help hold the line on its declining coffee sales, Cory last year added Cory-Lite, a partially decaffeinated coffee. Losses were partially offset by growth in allied lines such as tea, soups and a new line of canned juices that were added last year.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers......	$2,132,600	$773,100
Magazines.......	2,285,200	3,075,900
Spot tv............	9,807,800	9,114,400
Network tv.......	30,098,500	21,328,800
Spot radio........	664,500	772,400
Network radio...	679,800	—
Outdoor..........	7,700	17,200
Total measured	45,676,100	35,081,800
Unmeasured...	10,839,900	6,218,200
Estimated total.	56,516,000	41,300,000

HERSHEY FOODS CORP.

MARKETING PERSONNEL

Harold S. Mohler, chairman
William E. Dearden, vice-chairman, ceo
Richard A. Zimmerman, president

HERSHEY CHOCOLATE CO.

MARKETING PERSONNEL

Earl J. Spangler, president
John H. Dowd, vp, new business devel
Gary W. McQuaid, vp-mktg

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Kit Kat, Mr. Goodbar, Hershey's syrup, Whatchamacallit, Y&S Candies, Reese's Pieces, Skor, Frostin', new prods—Richard Keegan, group vp; Peter Tate, vp mgmt super.

Ogilvy & Mather, New York—Hershey's Kisses, milk chocolate, baking chocolate, chocolate chips, cocoa, hot cocoa mix, almond chocolate bar, fudge topping, Golden Almond, Reese's peanut butter cups, chips, Big Block, Rolo miniatures, New Trail bars—John Blaney, senior vp; Michael Vaughan, vp-mgmt super.

FRIENDLY ICE CREAM CORP.

MARKETING PERSONNEL

James D. Staggs, chairman-ceo
John F. Cauley, president-ceo
Joseph A. O'Shaughnessy, exec vp
John D. Burke, vp-mktg

ADVERTISING AGENCY

Quinn & Johnson, Boston—Edward W. Quinn, president; Robert S. Johnson, exec vp; Jay Terwilliger, acct exec.

SAN GIORGIO-SKINNER

MARKETING PERSONNEL

Joseph P. Viviano, president-ceo
Clifford K. Larsen, vp-mktg

ADVERTISING AGENCIES

Creamer Inc., New York—San Giorgio pasta prod, P & R Macaroni—Albert J. Bouchard, exec vp.

W.B. Doner & Co., New York—Skinner and Delmonico brands.

Heublein Inc.

	1981	1980
Sales..........	$2,050,121,000	$1,921,879,000
Earnings.....	88,379,000	77,411,000
Advertising*.	187,000,000	170,000,000

*AA estimate

Heublein Inc., Farmington, Conn. the 29th largest national advertiser, raised its 1981 advertising budget 10% to $187 million from $170 million in 1980. While the company's measured media spending in newspapers, magazines, spot radio and outdoor advertising dipped below 1980 levels, spending on spot tv and network tv rose well above the previous year's totals.

The largest jump in measured media was in spot tv where Heublein pumped 40% more advertising dollars in 1981 than the previous year, bringing spot tv spending to $29.7 million. Network television spending was increased about 10% over 1980 levels to $33.6 million.

Sales for the food and beverage company climbed 6% in 1981 over 1980 to $2 billion and earnings rose 12% above 1980's $77.4 million to $88.4 million.

Starting with reports for 1983, this picture should change significantly if the proposed $1.3 billion acquisition of Heublein by R.J. Reynolds Industries is ultimately consummated. The merger would give Reynolds, the giant tobacco, grocery products, energy and shipping conglomerate, an even more expanded list of consumer goods. Heublein would be bringing to the deal other grocery products, food service operations, wines and spirits.

The RJR-Heublein combination would also create an advertising force of mammoth proportions.

Based on 1981 levels, RJR-Heublein could be spending more than $500 million a year on advertising, making it the nation's third-largest, behind Procter & Gamble Co. and Sears, Roebuck & Co.

Heublein itself is coming off a year in which it saw sales and operating profits continue to rise in its grocery and restaurant divisions, while they dipped in the spirits and wines division. Heublein's worldwide beverage operations accounted for 61% of corporate revenues and 59% of operating profit in 1981.

Heublein's president Hicks B. Waldron blamed part of the decline in its beverage revenues to the high cost of short-term borrowing, leading wholesalers and retailers to reduce inventories.

Heublein's spirits group, based in Hartford, Conn., markets Smirnoff vodka (the nation's leading vodka seller and said by some industry insiders to be the one product that built Heublein), Popov vodka, Black Velvet Canadian whisky, two lines of cocktails, Harvey's Bristol Cream sherry, Lancers wine, Don Q rum, Jose Cuervo tequila and Arrow cordials.

A sluggish economy and aggressive marketing campaigns by competitors in the spirits category were also blamed for unit sales decline of 7% to 19.5 million cases in 1981.

Changing consumer tastes also figured in the scenario prompting John A. Powers, senior vp, beverage operations, to say the company's strategy for growth is in maintaining heavy advertising and promotion behind key premium brands, especially those in the white liquor category.

A price increase in the domes-

Kentucky Fried Chicken
"it's finger lickin' good"
Now Serving
Biscuits

Mary Kerlehy

Doing it right? Heublein's Kentucky Fried Chicken had revenues of $386 million in 1981.

tic market in the first half of 1981 on Heublein's Smirnoff vodka was met with an 8% drop in shipments of the spirit, resulting in a promotional pricing campaign in the second half and a new marketing campaign positioning the brand as not only a premium vodka but also one of value. The new campaign broke early in 1982.

As in the U.S., the brand is marketed in other countries with emphasis placed on it being a premium vodka. It apparently has paid off, with sales overseas growing 6% to 5.8 million cases. The strongest foreign markets for the brand are in the United Kingdom, Canada, South Africa, Ireland and Sweden.

Heublein's Black Velvet Canadian whisky was also met with consumer resistance to price increases in early 1981, but a new advertising campaign in the second half, featuring tv's "Dallas'" leading man Larry "J.R." Hagman, helped the brand regain some sales momentum, Mr. Powers said.

There were several new products added to the spirits category portfolio, too, including Jeremiah Weed, a bourbon-based liqueur; Viejo Vergel brandy, a leading spirit brand in Mexico, and Rhum St. James, a superpremium rum from Martinique.

Revenues of the wines division declined 10% to $251.4 million in 1981. Aggressive marketing tactics by competitors and price-conscious consumers were blamed for the downturn. To help combat these negative forces, the company introduced four newly formulated Colony Classic wines and relabeled the entire Colony line to support the company's effort to market the brand as a wine classic. The marketing campaign centered on a $6 million comparative ad drive over the three months of summer in 1981.

Over-all, Heublein is concentrating on developing and promoting its dry table wines—an area where it sees growth potential in the highly competitive domestic wine industry.

Heublein also appointed Young & Rubicam, Los Angeles, in August to its $14 million United Vintners account.

Brands in Heublein's wine stables other than Colony Classic are Inglenook, marketed as a premium brand of wine; Petri wines, marketed as a good value in the lower-price range, and Jacare, the division's premium proprietary wine.

In Heublein's food division, the Kentucky Fried Chicken system in the U.S. continued to make progress in its 775 company-owned stores and the 3,679 franchised stores. Division revenues were up 19% to $385.7 million with average annual sales at company Kentucky Fried Chicken stores up 17% to $427 million. Real sales growth was up 7% compared with 1980's 5% growth.

While poor economic conditions have affected the fast-food industry, including Heublein's KFC system, the company concentrated on building 94 new stores and remodeling 199 older units and on a new campaign based on the "We do chicken right" banner. The fast-food chain also introduced a breast filet chicken sandwich and fries to compete against the entry of other fast-food competitors in the fried chicken market.

In Heublein's grocery products group, revenues climbed 17% to a record $152.9 million with operating profit up about 20% to $21.5 million. In this group, Heublein broke a national tv campaign in 1981 for its A.1. steak sauce that emphasized that it added value to less expensive cuts of beef—considered by the company to be a powerful consumer message in a period of high beef prices. A complementary tv campaign emphasized the use of A.1. as a pour-in ingredient with ground beef. Its Regina wine vinegar also underwent some transformation with the company adding a new flavor and introducing new packaging for the product.

Meanwhile, the proposed R.J. Reynolds-Heublein marriage apparently precludes General Cinema Corp. from continuing its efforts to take over Heublein, efforts Heublein had been rebuffing.

Early this year, General Cinema, an independent soft drink bottler and motion picture exhibitor, disclosed that it had purchased 2.1 million shares of Heublein stock. At a median price of about $35 at the time, the purchase carried an estimated value of $74 million. In addition, General Cinema announced its intention to increase its holdings to more than 15% in Heublein.

As a result, Heublein filed suit against General Cinema, charging that the stock purchases violated federal securities laws. Heublein then went on the offensive by purchasing 380,000 shares of General Cinema stock (about 3.5% of that company's stock).

Heublein paid $14.1 million for General Cinema stock, which sold at the time at $37 a share. Not long after the purchase, Heublein announced it would increase its holdings in General Cinema to more than 15%, and that could rise to as much as 25% to 50%.

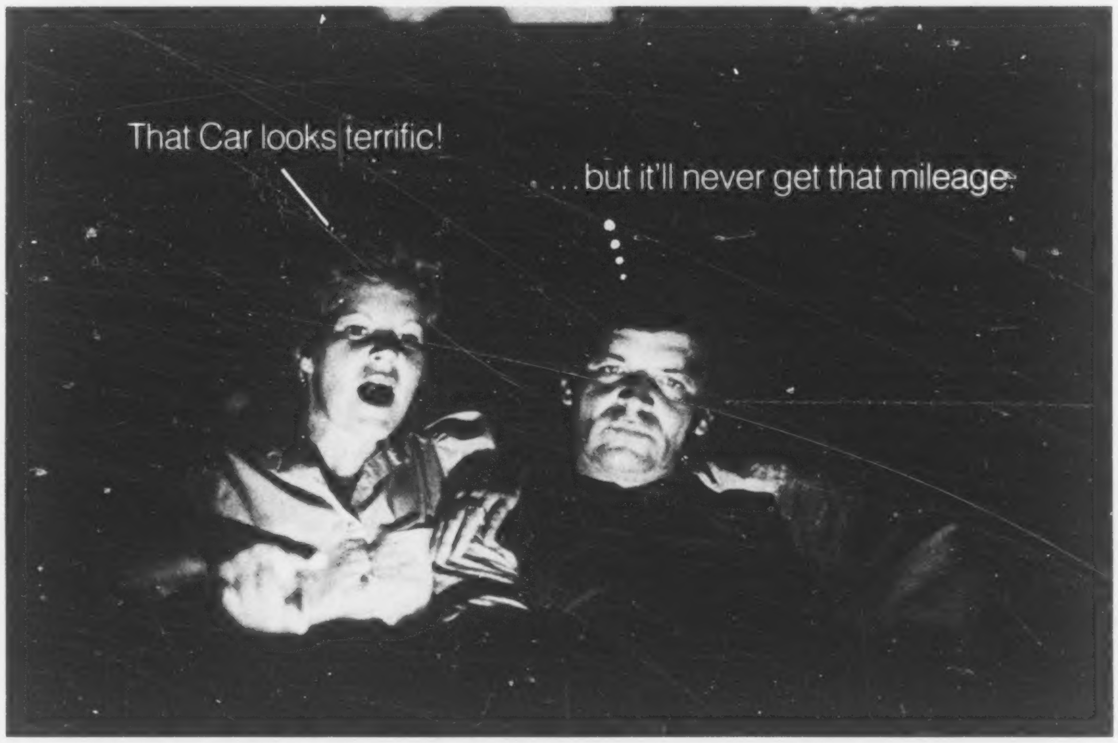
In a countermove General Cinema announced its intention to acquire as many as 3 million shares of its own stock—a move some insiders said would make General Cinema invulnerable to a takeover because of the amount of insider holdings in the company. Backing its announcement, General Cinema purchased slightly more than 1 million shares of its own stock.

In early June, General Cinema announced it would stop buying Heublein stock but threatened it would resume its purchases if the companies don't reach an agreement.

Neither company would discuss what such an agreement would be about. General Cinema said it had purchased more than 4 million shares of Heublein's stock at an estimated cost of $159.6 million.

The RJR deal, however, has ended the dogfight.

They're rewriting your commercial!


That Car looks terrific!
. . . but it'll never get that mileage.

A Clucas Diagnostic TV Test tells you how. And why. While there's still time to fix it.

Your audience sees what it wants to see, hears what it wants to hear. A Clucas Diagnostic Test session proves this. And 21 of the top 100 national advertisers have turned to Clucas in just the past two years to learn what the audience "thinks it saw"... "thinks it heard" ... **and why.**

Pick your target audience — 100 women 18-60, or a specific target sample, at your option. Using rough or finished material, the Clucas diagnostic technique gives you measures of oral communication, visual communication, audience involvement, and scene-by-scene scores of commercial objectives accomplished ... or not. Then Clucas delivers a summary analysis so you know what went right. What went wrong. And why. With subtle nuances made crystal-clear. That's not all.

Clucas delivers "Bonus Data," too. Product, advertiser and entertainment ratings. Unaided brand recall. All this backed by experience gained from over 2,000 sessions worldwide. More data-per-dollar than other diagnostic techniques can offer.

See for yourself how Clucas works. To arrange a presentation date or to receive the Clucas information package, call Nick Calo at 1-800-543-0450. Or call your nearest Burke client service office. Do it now. **After all, if your audience re-writes your commercial you're entitled to know the results.**

Burke

BURKE MARKETING RESEARCH
2600 Victory Parkway
Cincinnati, Ohio 45206
(513) 961-8000

A Division of Burke Marketing Services, Inc.

Offices also in
- Darien, CT, (203) 655-7600
- Philadelphia, (609) 772-1394
- San Francisco, (415) 937-0660
- Los Angeles, (213) 393-0477
- Chicago, (312) 693-0800
- Cincinnati, (513) 961-8000
- Detroit, (313) 559-8160
- Atlanta, (404) 885-9979
- Dallas, (214) 233-5755

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$3,018,100	$5,055,900
Magazines	14,711,500	16,460,200
Spot tv	29,743,700	17,888,100
Network tv	33,637,700	30,293,000
Spot radio	2,861,000	6,357,400
Outdoor	6,307,500	6,904,700
Total measured	90,279,500	82,959,300
Unmeasured	96,720,500	87,040,700
Estimated total	187,000,000	170,000,000

MARKETING PERSONNEL

Hicks B. Waldron, president & ceo
John A. Powers, senior vp-alcoholic beverages
Michael A. Miles, senior vp-foods; chairman, KFC worldwide
Gwain H. Gillespie, senior vp-finance and admin
Robert R. Weiss, vp-group exec, spirits group
John F. Keller, vp-group exec, chairman, United Vintners
Richard P. Mayer, chairman
Barry M. Rowles, vp-group exec, intl beverages/Brazil group
Robert N. Hiatt, vp-group exec, intl foods group
Hugh R. Beath, vp-group exec, grocery prods group
Joseph M. McGarry, vp-corporate affairs
John Cox, vp-public affairs
Lorraine C. Scarpa, director of mktg services
Robert Ward, director, adv services

Spirits Group

Robert R. Weiss, vp-group exec
Ronald B. Schlossberg, vp-mktg
William C. Bennett, vp-mktg planning and admin
James C. Dennis, group director-established brands
Neil F. Kelliher, group director-vodka

Wines Group

Robert M. Furek, president, United Vintners and gen mgr, Inglenook Vineyards
John F. Keller, vp-group exec
Janet D. Collins, director of mktg-premium wines
Bruce T. McDonnell, director of mktg-standard wines

INTERNATIONAL VINTAGE WINE CO.

MARKETING PERSONNEL

George T. Eisenberg, president
Barry T. Blake, vp-mktg

Beaulieu Vineyard

Leigh F. Knowles Jr., president
Dennis P. Fife, vp-mktg & sales

Grocery Products Group

Hugh R. Beath, vp-group exec
Brian E. Falck, vp-mktg
T.R. Tipps, mktg director-food service
D. Bastien, mktg director-Mexican foods
R.W. Lamonia, mktg director-sauces & condiments

International Beverages

Barry R. Rowles, vp-group exec
L.D. Blado, senior vp-mktg & devel

International Foods

Robert N. Hiatt, vp-group exec

ADVERTISING AGENCY

Poutray & Holyoke, Norwalk, Conn.—food ingredients—Carol Pekar, mgmt super; Bill Poutray, acct mgr.

Food Service & Franchising Group

Richard P. Mayer, group exec, chairman

KENTUCKY FRIED CHICKEN USA

William A. Ready, president, KFC
Donald E. Doyle, senior vp-mktg & planning
Harry Lavo, president, Zantigo Restaurants

National Accounts Division

Ronald Rose, vp
Martin Wehn, director-mktg

ADVERTISING AGENCIES

Albert Frank/FCB, New York—Kiku Sake, Hungarian Wines, Bouchard Pere et Fils French wines, Latour cognac, Kleine Reblaus German wine. Stephen Witt, chairman.

Marschalk Co., New York—food and retail grocery adv (A.1. steak sauce, Grey Poupon Dijon mustard, Regina wine vinegars and cooking wines, Snap-E-Tom tomato cocktail, Ortega Mexican tacos, chilies, beans and sauces), liquor adv (Smirnoff vodka, Smirnoff Silver vodka, Smirnoff de Czar Special Reserve vodka, Yukon Jack Canadian liqueur, Steel Peppermint Schnapps, Boggs Cranberry liqueur, Relska vodka, Popov vodka, Arrow cordials, Beaulieu Vineyard wines). Retail grocery trade adv: Dan Cohen, senior vp, mgmt service director; Jeff Adams, vp, acct super; Ed Troncelliti, acct exec (A-1 steak sauce); Gary Weisenthal (Grey Poupon Dijon mustard and Regina wine vinegars and cooking wines); Candia Herman, acct exec (Ortega chilies and new prods); Mary Baroutakis, acct exec (Ortega sauces and tacos). Liquor adv: John Dauer, senior vp-mgmt service director; Roger Stone, vp-mgmt super; Ellen Perry, acct exec; Eric Doescher, acct exec; Sharon Donnelly, acct exec; Patsy Grubb, asst acct exec.

Laurence, Charles & Free, New York—Jose Cuervo tequila; Black Velvet Canadian; Black & White scotch; Matador tequila; McMasters scotch and McMasters Canadian; Malcolm Hereford's Cows; Irish Mist imported liqueur; Club cocktails; Heublein cocktails; American Creme; Jeremiah Weed bourbon liqueur. F. William Free, chairman; Tyler Philips, mgmt super; John Skelly, acct exec; Mary Conway, acct exec; Toni Alabisco, acct exec.

D'Arcy-MacManus & Masius, New York—Harvey's Bristol Cream; Viejo Vergel Mexican brandy; Harvey's other ports and sherries. Dan Cole, acct super.

Uniworld Group, New York—ethnic adv, gen adv: Smirnoff vodka; Harvey's Bristol Cream; Rhum Saint James. Byron Lewis, president; Melvin Fallis, vp-group super.

Castor Spanish International, New York—ethnic adv, Smirnoff vodka, Don Q Puerto Rican rum, Jose Cuervo tequila, Black Velvet Canadian, Viejo Vergel Mexican brandy—Castor Fernandez, president, creative director; Arturo Andrade, gen mgr, acct service director.

Institutional Advertising Associates, Norwell, Mass.—grocery prods food service adv—Hugh DeVine, president; Matt DeVine, vp.

Young & Rubicam, Los Angeles—Inglenook, Colony, Jacare and Lejon wines.

Young & Rubicam, New York—Kentucky Fried Chicken national co-op adv and company-owned outlets—John P. McCarry, exec vp, group director; Ed Lebar, mgmt super.

Mingo-Jones, New York—Kentucky Fried Chicken company-owned outlets in New York, Kentucky Fried Chicken black media—Samuel Chisholm, vp, mgmt super; Fred Grant, acct exec.

Multi-Marketing Inc., Chicago—retail grocery trade mktg—Jim Schroeder, president; Donna Cook, acct super; Eileen Hedrick, acct exec; Kevin Byrne, acct exec.

Teleki Associates, New York—Grey Poupon Dijon mustard, Regina wine vinegar—Gargot Teleki, president.

International Business Machines Corp.

	1981	1980
Sales	$29,070,000,000	$26,213,000,000
Earnings	3,308,000,000	3,562,000,000
Advertising*	40,700,000	30,400,000

*AA estimate

International Business Machines Corp., Armonk, N.Y., the 98th largest advertiser, raised advertising expenditures 34% in 1981 to $40.7 million from $30.4 million in 1980.

Worldwide sales increased 11% from $26.2 billion in 1980 to $29 billion this past year. However, earnings dropped 7% to $3.3 billion from $3.6 billion in 1980. Foreign operations amounted to $14 billion, up 1.4% from $13.8 billion in 1980. U.S. operations had gross income of $15,088 billion, up 21% over 1980.

IBM's major operations are in the leasing and sale of information handling systems, equipment and services. Products include data processing machines and systems, information distributors, office systems, typewriters, copiers, educational and testing materials, and related services and supplies.

The greatest share of IBM's gross income continues to come from the data processing segment with equipment sales and rentals accounting for 66% in 1981, up 11% from 1980. While U.S. data processing rentals were up 13%, foreign rentals showed a decline.

Maintenance program products, parts and supplies accounted for 17% of gross income, up 20% from 1980. Office products gave 20% and all other segments contributed the rest of total earnings.

IBM reported net income of $1 billion in the second quarter ended June 30, 1982. This compares with $804 million for the same period a year earlier. Second-quarter revenue increased from $6.9 billion in 1981 to $8 billion in 1982.

Profit in the first half of 1982 was up 15% from $1.5 billion to $1.8 billion. In breaking down gross income for the latest quarter, sales account for $3.6 billion, rentals for $2.8 billion and services for $1.6 billion.

In the middle to high power main frame computer market, IBM has 62% of the U.S. market. The IBM 4300 and IBM 8100 have several new models which provide greater flexibility in selecting the right computer power and memory size.

In 1981, IBM began shipment of its 3380, the industry's most advanced computer disk file; the "thin film" head not only reads and writes data at 3 million characters a second but offers the largest information capacity, 2.5 billion characters per disk file.

In comparison to the mid-1950s IBM Ramac 305, the 3380 stores 6,000 times the information per sq. in. and retrieves data 37 times faster.

The new IBM 3081 Group Model K, introduced in 1981, has internal speeds up to 40% faster than current processors along with the densest logic and memory packaging available in the industry.

Also, 1981 heralded the introduction of the Audio Distribution System (ADS) that enables telephone users to record, change, hear and transmit messages.

The IBM Displaywriter now has greater file processing and communications capabilities which allows the merging of text and arithmetic data, thus offering wider flexibility across different IBM office systems.

The new IBM Personal Computer, the company's smallest system, is designed for business, school and home use. It sells for as little as $1,565 but with added accessories can go as high as $6,000.

This system not only brought IBM into the personal computer market in August, 1981, but saw the company launch a new way of selling its low-price products—through outside distributors—while retaining its own sales force to sell its high-price systems. With a more powerful memory than either Apple or Tandy, the current home computer leaders, and the prestige of the company, IBM is expected to get its share of growth from what analysts have predicted as a $5 billion sales market by 1983.

Another small computer introduced in 1981, the IBM System 23/Datamaster was designed to handle a variety of business procedures for small companies or department functions in large corporations.

International Data Corp. places IBM's 1981 share of market for Desktop computers, which includes personal computers, at 7%. Share of market for other desktop computer marketers is: Apple with 21%, Tandy with 20%, Commodore Business Machines 12%, Atari Computer division 10%, and Texas Instruments 6%.

New marketing approaches signaled the opening of 21 IBM retail product centers for office machines and small systems—making a total of 13 retailers in the U.S. and 20 in other countries. Personal computers were sold through IBM Product Centers, ComputerLand, Sears, Roebuck & Co., and business machine stores.

In addition, IBM expanded sales to other manufacturers and also began marketing its model 3101 display terminal and a new desk-top printer through distributors.

In conjunction with the changes in the distribution of products, there was major realignment of IBM worldwide marketing structures. All marketing and service operations in the U.S. now report to the Information Systems Group headed by Clarence B. Rogers Jr., vp and group executive.

All U.S. product development and manufacturing operations report to either the Information Systems and Technology Group or the Informations Systems and Communications Group. The former General Business Group/International division, its marketing services and manufacturing is being consolidated into two groups: Americas/Far East Corp. and Europe/Middle East/Africa Corp.

At the end of 1981 Satellite Business Systems (SBS), a partnership formed by subsidiaries of the Aetna Casualty & Surety Co., COMSAT General Corp. and IBM, had 60 earth stations and seven customer networks installed—including one for IBM. The second satellite for domestic U.S. communications systems entered commercial service in early 1982.

SBS has applied to the U.S Federal Communications Commission for authority to provide international common carrier services which would permit their U.S. customers to interconnect with SBS subsidiaries and British Telecom customers in the United Kingdom.

The services would include computer data communication, electronic mail, video teleconferencing and facsimile transmission.

SBS is negotiating with the Canadian government and Canadian common carriers to use SBS satellites between the U.S. and Canada.

Science Research Associates (SRA), IBM's educational publishing subsidiary, developed three software programs for the new IBM Personal Computer. The "educational courseware" is suitable for home or school and provides computer drill and arithmetic instruction.

Science Research Associates and IBM Instruments are no longer handled by a specific advertising agency.

In 1981 IBM sponsored a rerun of the tv special "IBM Presents Baryshnikov on Broadway." IBM also underwrote the sixth annual Van Cliburn International Piano Competition on PBS. Tune-in print ads promoting these programs ran in magazines and major newspapers.

A 10-month exhibition of French sculptor Auguste Rodin was sponsored at the National Gallery of Art in Washington with a grant from IBM.

The Federal Systems division launched a series of authoritative ads, created by Marstellar in late 1981 aimed at the Pentagon and based on historical events pertaining specifically to military detail.

"How much does it cost not to own one?" was Doyle Dane Bernbach's challenging headline for IBM's electronic typewriters, which dominated the field until 1980 when Smith-Corona introduced its new Typetronic at a price of $900.

Measured media spending for electronic typewriters increased negligibly from $529,000 in 1980 to $676,000 in 1981.

Measured media spending for Selectric typewriters dropped dramatically in 1981 to $1.1 million, a 67% fall from the $3.5 million spent in 1980—from 16% of total media expenditures in 1980 to 4% in 1981.

In the electric typewriter market, IBM has a market share of 90% of 600 million units sold in 1981. Share of market for electronic tyewriters is 45% of 450 million units. Combined electric and electronic is 75% to 80% share of market.

Doyle Dane Bernbach's print campaign in early 1981 for the Minolta-made IBM Executive copier was not only the heaviest ever launched for another maker's product but the only campaign ever launched for another marketers product.

In the plain paper copier category, IBM had 8% to 10% market share in 1981. Xerox Corp. had 45%, Savin had 10% to 12% and Kodak about 9%.

Measured media expenditures for copiers declined in 1981 to $1.9 million from $2 million spent in 1980; measured media outlay for copiers dropped from 9% to 7% of total expenditures.

IBM computer services had the greatest share of measured media dollars with 27%, a drop from a 30% share in 1980. This is a 14% increase in media expenditures from $6.8 million in 1980 to $7.7 million in 1981.

IBM's second-highest measured media expenditures in 1981 were for Displaywriter Systems at $3.4 million, up from $161,000 in 1980—12% of total measured media expenditures with $2.9 million in network tv.

Media expenditures for the general systems division was $1.7 million, up 149% from $704,000 in 1980—6% of the measured media yearly total.

IBM general promotion declined 10% from $5.1 in 1980 to $5 million in 1981—a drop from 22% to 18% of the total media expenditures.

Total media expenditures were up in 1981 by 22.4% with print media showing the greatest gains: Newspapers jumped 55% and magazines increased a whopping 51.9%. Network television rose 4.6%, spot tv declined 80% and radio climbed 20%, all adding up to the 31.2% increase in 1981 total measured media expenditures.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$4,407,300	$3,842,800
Magazines	10,653,100	7,012,300
Spot tv	1,018,100	5,317
Network tv	15,440,700	14,800,000
Spot radio	1,573,6	—
Network radio	445,500	370,800
Outdoor	—	3,100
Total measured	33,535,300	25,537,900
Unmeasured	7,164,700	4,862,100
Estimated total	40,700,000	30,400,000

ADVERTISING PERSONNEL
Corporate

C.G. Francis, director-adv
B.G. Quann, director-adv programs
R.F. Whalen, director-adv operations
D.E. Frischmann, mgr-corporate tv adv
W.H. Harrison, mgr-corporate print adv

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—corporate tv, radio—Stephen Kutler, vp-mgmt super.

Lord, Geller, Federico, Einstein, New York—corporate print—Al Berger, vp-mgmt super.

INFORMATION SYSTEMS GROUP

P.F. Judice, director-adv
D.H. Butters, mgr-adv
J.D. D'Arezzo, mgr-adv

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Thom McCarthy, vp-mgmt super.

Geer, DuBois, New York—John Allen, vp-group acct super.

NATIONAL MARKETING DIVISION

D.T. Coker, mgr-adv
K.L. Bridges, mgr-adv programs

ADVERTISING AGENCY

Doyle Dane Bernbach, New York—Stephen Hoechster, acct exec.

FEDERAL SYSTEMS DIVISION

W.E. Corey, mgr-adv & sales promo

ADVERTISING AGENCY

Marsteller Inc., New York—Eileen Joyce, acct exec.

SYSTEMS SUPPLIES DIVISION

S.B. Saidman, mgr-adv & promotional programs

ADVERTISING AGENCY

Leber Katz Partners, New York—Howard Meditz, acct super.

SYSTEM PRODUCTS DIVISION
ENTRY SYSTEMS

C.E. Pankenier, mgr-communications

ADVERTISING AGENCY

Lord, Geller, Federico, Einstein, New York—Personal Computer-John Steinle, vp-acct super.

International Telephone & Telegraph Corp.

	1981	1980
Sales*	$23,196,824,000	$23,821,064,000
Earnings	676,804,000	755,353,000
Advertising**	153,000,000	153,000,000†

*Includes insurance and financial revenues
**AA estimate
†Restated

International Telephone & Telegraph Corp., New York, maintained its advertising spending level in 1981, spending $153 million to rank as the 38th largest national advertiser.

Worldwide sales and revenues, including ITT's insurance/finance group, fell $6 million to $23.2 billion. The company attributes the decline to two factors: The foreign currency translation impact of a stronger dollar and divestiture of several units which reduced the sales base.

ITT reported first-half 1982 earnings of $312.3 million, down 1.8% from $318.2 million during the same period of 1981. The lower earnings came on a 1.7% drop in sales and revenues, from $11.3 billion in the first six months of 1981 to $11.1 billion in the same 1982 period.

Excluding insurance and finance, whose revenues rose from $5.3 billion to $5.9 billion in 1981, the company's sales dropped in its four remaining groups—telecommunications/electronics, which had sales of $6.7 billion compared with $7.1 billion in 1980; engineered products, which decreased from $6.2 billion to $5.8 billion; consumer products and services, down from $3.8 billion to $3.7 billion, and natural resources, down from nearly $1.4 billion to more than $1.1 billion. In terms of net income, insurance and telecommunications led the groups, followed by consumer products, engineered products and natural resources.

Within ITT's consumer products group, which includes food, consumer appliances, hotels and "other" (*e.g.*, publishing, lawn and garden care, land development), food represented sales of $1.7 billion and appliances accounted for $711 million in volume. Hotels and "other" totaled $1.2 billion in sales in 1981. Food and appliances posted slight declines from 1980 levels, reflecting the sale of several units, principally Continental Baking Co.'s Morton Frozen Foods, Gwaltney and ITT Continental Kitchens divisions.

Among ITT's consumer properties, Continental Baking Co. garnered the greatest share of measured ad spending. This division sold 25 million loaves of Wonder and other brand breads weekly in 1981, according to the company. Wonder ranks first in bread sales nationally; Continental's Hostess brand continues to be a leader in snacks.

Over-all, branded breads tallied $14 million in measured media spending last year. Wonder's share in that was $7.6 million, followed by Home Pride at $5.9 million. Braun topped the remaining brands with $498,900 in measured media outlays, while Fresh & Natural spent $84,300. Network and spot television were the major advertising vehicles.

In baked goods, Continental spent roughly $1.2 million in combined measured media allocations last year. Home Pride bakery products accounted for $716,700 of that, followed by Town Talk with $301,300 and Continental Bakery products with $186,500.

ITT Continental hopes to increase its position in the wheat bread market by testing and expanding its new Wonder Family Wheat to the majority of its bakeries. Additionally, distribution of its Beefsteak Rye bread has been broadened to other bakeries, sparked by the switch to a resealable bag.

Hostess products budgeted more than $10 million in media last year in support of Snack Cake and Breakfast Bake Shop lines. Baked goods were allotted $8.9 million of measured media spending, while cakes received $1.2 million.

C&C Beverages, which earlier this year was sold to Consolidated Foods Corp., was budgeted for $1.1 million in measured ad spending in 1981. The soft drink unit spent $1.8 million in 1980, a year of discounting within the industry that did much to erode or stifle market shares of smaller companies.

In the retail lawn and garden products field, the Scott and Burpee operations spent a combined $9 million-plus in spring/summer 1981, with Burpee accounting for $1 million of the total. Turf Builder was the most heavily backed Scott brand at nearly $3.2 million, followed by Plus 2 with $1 million.

The Scott unit attributed part of its record 1981 sales and profits to its own "Lawn Care" magazine, mailed to 1.6 million homes yearly. The company, which last year handled almost 500,000 direct consumer requests with its "Hotline" and mail efforts, has expanded its computerized custom lawn program in two-thirds of the U.S.

In publishing, ITT's Bobbs-Merrill, publishers of how-to books primarily, received $50,400 in measured media spending, all used in magazine advertising.

The Hartford Insurance Group, with a total measured ad budget of about $4 million, is responding to the current difficult economy with a more hard-sell, product-oriented ad focus. Its new consumer ads feature interviews with key Hartford business managers discussing ways the company can help reduce insurance costs.

Additionally, the Hartford has been using a more targeted advertising approach to support specific product sales in key markets. The bulk of the company's advertising appears in business and newsweekly publications including the *Wall Street Journal, Time, Business Week, U.S. News & World Report* and *Newsweek*.

With the introduction of "Universal Life" insurance to Hartford Life Insurance Co. in May, 1981, the company adopted an ad campaign using the copy theme, "The Solution." The series features testimonials from financially sophisticated people who have purchased the product, described by ITT as a policy which offers permanent protection while providing attractive interest rates on cash values. The company put $253,000 in measured media spending behind Hartford Life Insurance last year.

Boston-based Sheraton Hotels spent nearly $9 million in media for national corporate advertising last year. Taking into account the owned, franchised and operated hotel properties, the hotel chain estimated its total advertising last year came closer to $35 million in the U.S.; international came to $2.2 million.

The Sheraton chain, which operates or franchises 430 hotels in 50 countries, says it served more than 20 million guests worldwide in 1981.

In telecommunications and electronics, ITT's U.S. Transmission Systems unit took its City-Call long distance telephone service to the retail level last year, testing it in 21 Sears stores in Miami and Washington. The company hoped to measure whether the over-the-counter selling approach might be more effective in reaching mass audiences than conventional direct-mail and telephone solicitation. Excluding American Telephone & Telegraph's position in the long-distance calling market, City-Call reportedly holds less than a 10% share; MCI Communications Corp. dominates with roughly 67% of the market not served by AT&T.

The City-Call service received $20,300 in measured ad spending in 1981, all targeted at spot television. In other areas, ITT's Ultra 80 Telephones were given $203,000 worth of support in magazine advertising.

ITT announced in late 1981 its interest in selling the Rayonier forest products unit, but the division remains a stubborn link in the corporation's chain of proposed divestitures. In terms of measured ad spending last year, fibers for apparel claimed a total of $152,100, all put toward newspaper supplements.

ITT continues to value image advertising at the corporate level, for reasons of identification and reputation, and will spend roughly $10 million toward this end in 1982. Some ads are designed to clear up confusion between ITT and AT&T; others are seen as image boosters for the conglomerate. In general, ads dramatize ITT's role in the lives of average consumers, a tack that supports the company slogan, "The best ideas are the ideas that help people."

Much of ITT's corporate advertising includes sponsorship of television specials, including "Little Lord Fauntleroy" and "Leave 'Em Laughing" in 1981, and "Oliver Twist" in March of this year, all broadcast on CBS-TV. According to Paul Jannuzzo, director of corporate advertising and sales promotion, "Twelve minutes of commercial tv better enables us to offer a complete view of the corporation than a single spot in a scatter plan program." And, with the company's choice of television specials, "we have an opportunity to associate with good family programing."

In a move which follows a number of corporate divestitures in the past few years, ITT agreed early in July of this year to sell its French subsidiaries, Compagnie Generale de Constructions Telephoniques (CGCT) and Laboratoire Central de Telecommunications, to the French government for a reported $50 million.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$3,719,900	$4,111,900
Magazines	8,771,300	8,696,400
Spot tv	27,614,700	30,677,200
Network tv	21,007,800	18,270,100
Spot radio	84,800	734,400
Network radio	403,900	113,000
Outdoor	617,900	556,900
Total measured	62,220,300	63,159,900
Unmeasured	90,779,700	89,840,100*
Estimated total*	153,000,000	153,000,000†

*Totals provided by company
†Restated

CORPORATE MARKETING PERSONNEL

E.J. Gerrity Jr., senior vp-director, corp relations/adv
J.L. Lowden, vp-deputy director, corp relations/adv
J.C. Cappello, vp-deputy director, corp relations/adv
J.P. Jannuzzo, director, adv/sales promo
T.J. Connolly, director, special events/activities
R.A. Cronenwett, mgr, consumer adv/sales promo services
H.J. Taggart, mgr, special projects, adv/sales promo
M.B. Clifford, mgr, sales promo services

ADVERTISING AGENCIES

Needham, Harper & Steers, Issues and Images division, New York—corporate—Barry Biederman, president; Bruce Jackson, exec vp-genl mgr; John Mason, senior vp-acct super; Bob Sigmund, Miranda Lee, acct execs.

Fritchman Associates, Ridgefield, Conn.—telephone directories—Bud Fritchman, mgmt super.

Deutsch, Sea & Evans, New York—corp recruitment adv—James Crawford, acct supr.

ITT CONTINENTAL BAKING CO.
Rye, N.Y.

BAKERY DIVISION
MARKETING PERSONNEL

Rudy R. Norris, vp-director, bread mktg
Laurie Chatfield, director-media and budgets
Benilda Figueroa, media coordinator
Frank Sessa, mgr-graphics and design
Sue Herrick, director-established bread mktg
Jeff Krulwich, group prod mgr, new prods
Jean Taplett, Myra Hess, prod mgrs
Paula Luftglass, assoc prod mgr
Arthur J. Cunningham, director-mktg rsch
Muriel G. Adamy, mgr-consumer affairs

ADVERTISING AGENCIES

Ted Bates & Co., New York—Wonder and Home Pride breads, Fresh Horizons bread—Larry Epting, exec vp-client services; Peter Bates, mgmt rep; Richard Salmanowitz, acct super; Sandra Lewit, Don Simon, acct execs; Owen Rankin, staff asst.

Grey Advertising, New York—Braun Baking, Beefsteak Rye Fresh & Natural bread—Robert Schoenfein, exec vp; Doris Hutnick, vp-acct supr; Wade Galloway, asst acct exec.

CAKE DIVISION
MARKETING PERSONNEL

C.J.L. Bates, vp-director of cake mktg
Robert A. Wilock, director of established cake mktg
Mark Dirkes, senior prod mgr-established cakes
David M. Cooper, senior prod mgr-new prods
Wyn Achenbaum, Susan Danehower, prod mgrs

ADVERTISING AGENCY

Ted Bates & Co., New York—Hostess Cakes—Peter Colonel, mgmt rep; Alan Krinsky, acct super; Fred Rubin, Marcia Walcyk, Lauren Becker, acct execs; Jerry McMahon, merch super.

THE HARTFORD
Hartford, Conn.

MARKETING PERSONNEL

Roger Dove, senior vp-corp relations
Peter Egan, asst vp-director adv and pr, corp relations
Greg King, asst director adv

ADVERTISING AGENCY

McCaffrey & McCall, New York—corp adv—Bruce Sherman, senior vp-acct super.

SHERATON CORP.
MARKETING PERSONNEL

Sig Front, senior vp-director of mktg
Robert Quinn, vp-director of adv
Adrienne Davis, asst director of adv

ADVERTISING AGENCIES

Creamer Inc., New York—domestic adv—Stanley Levitz, exec vp-mgmt super; Steven Godsick, vp-acct super.

Compton Advertising, New York—intl adv—Dick Razor, senior vp; Phyllis Hauck, acct supr.

O.M. SCOTT & SONS
MARKETING PERSONNEL

Bill Englehart, vp-mktg and sales
John Sebastian, director-mktg
Mike Kostrzewa, director-retail lawn mktg
Darrel Boyle, director-retail garden mktg
Bernard Ford, director-export and mktg services
Schrade Radtke, mktg mgr-eastern and central mkts
Robert Rinehart, mktg mgr-western and southern mkts
Mark Bater, mktg mgr-Burpee garden prods
James Fetter, mktg mgr-seed and mechanicals

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Arie Kipelman, exec vp; Rein Luik, vp-mgmt super; Ned Reece, vp-acct super; Michael McMurphy, acct exec, lawn prods; George Stanwick, acct exec, lawn prods; Kim Horton, acct exec, garden prods.

Knight-Haunty, Columbus, O.—Pro-Turf—Dan McIver, acct exec.

ITT RAYONIER
MARKETING PERSONNEL

Jerome Gregoire, vp-director, corp relations
C. Singley, adv director

ADVERTISING AGENCY

Ross Roy NY/Compton Inc., New York

—corp papermaking pulp, Silvachemicals, rayon—Herb Warden, mgmt super.

Soderberg MacEwan, Seattle—PenPly plywood—Michael MacEwan, mgmt super.

Shorey & Walters, Greenville, S.C.—Treated wood prods—Greg Shorey, mgmt super.

Johnson & Johnson

	1981	1980
Sales	$3,025,900,000	$2,633,600,000
Earnings	262,200,000	184,600,000
Advertising*	195,000,000	177,000,000

*AA estimate

Johnson & Johnson, New Brunswick, N.J., the 23rd largest national advertiser, is estimated to have increased U.S. advertising 10% to $195 million in 1981. After failing to get on the elastic-leg diaper bandwagon and watching its market share plunge from 12% to 8% during the last six months of 1980, J&J withdrew its disposable diaper from the $1 billion U.S. market early last year and conceded the field to rivals Procter & Gamble and Kimberly-Clark. The company, which took a $16 million write-off against first-quarter net earnings, will continue in its still-growing international diaper business.

U.S. sales for J&J rose 14.9% over 1980 to $3.03 billion in 1981, with earnings up 42% to $262.2 million, due in large part to strong performances by the company's consumer, pharmaceutical and professional businesses. For the first three months of 1982, U.S. sales were up 9.3% over the same period in 1981, while earnings soared 43%.

J&J worldwide advertising climbed 15.9% to $270.6 million in 1981, up from $233.5 million in 1980. Consolidated world sales tallied $5.4 billion, an increase of 11.6% over 1980, with earnings rising 16.7% to $467.6 million. For the first quarter of 1982, worldwide sales were up 8.7% and earnings rose 28.4% over the comparable period in 1981.

Johnson & Johnson, which operates as a group of decentralized companies, has deliberately shed its baby-products-only image while becoming the world's most diversified health-care company. Today J&J leads the world in painkillers and feminine hygiene; it dominates the home bandage market, and is the largest manufacturer of contraceptives in the U.S.

Consumer products continue to be Johnson & Johnson's largest business segment, representing 43.8% of total segment. Consumer products consist of toiletries and hygiene products, including babycare items, first-aid products and nonprescription drugs. Major brands include Tylenol analgesic (and CoTylenol cold medication); Johnson's baby powder, oil, lotion and shampoo; Stayfree, Carefree, Sure & Natural and o.b. feminine hygiene products; Band-Aid adhesive bandages; Reach toothbrushes and Ortho and Conceptrol contraceptive products.

J&J channeled 76% of its measured media expenditure into tv in 1981, trailed by magazines (17%), newspapers (13.5%) and radio (3%).

McNeil Consumer Products Co.'s Tylenol brand (including CoTylenol) continues to get the lion's share of J&J's measured advertising, with support for the country's leading analgesic (and best-selling product in American drugstores) reaching $42.9 million in 1981, up 28.5% over 1980.

Tylenol's seemingly unstoppable growth in the $1.2 billion analgesics market ($385 million of which is Tylenol sales) has left its weaker aspirin-based competitors scurrying to find new positioning. Sterling Drug, for one, ended up in court last year when McNeil accused it of false and deceptive advertising in a recent Bayer aspirin campaign.

Bayer ads claimed analgesic parity between Bayer, which contains 325mg of aspirin, and Extra-Strength Tylenol, which contains 500mg of acetaminophen. One offending tv commercial, by SSC&B, referred to a new, unpublished study "showing the amount of pain reliever in Extra-Strength Tylenol is no more effective for headaches than Bayer aspirin. . .Why pay for extra medicine?"

McNeil has spent considerable time fighting competitors' advertising in courts in recent years, its most drawn-out battle being with American Home Products, whose claims for Anacin have been the target of several McNeil lawsuits.

Recent share estimates (1981) give Tylenol (including extra-strength and children's) in excess of 32% of the market, with AHP's Anacin at 12.3%, Sterling Drug's Bayer's at 8.5%, Bristol-Myers' Bufferin at 7.3% and B-M's Excedrin between 7% and 8%.

In 1980, Extra-Strength Tylenol (tablets, capsules and liquid) replaced regular-strength Tylenol as the leading pain reliever and now holds about a 20% market share.

Measured support for the extra-strength entry climbed to $211.5 million in 1981 (up from $17.7 million in 1980), with $18.3 million going into network tv. Measured spending for regular Tylenol was approximately $9.7 million, and Children's Tylenol (tablets and drops) received $5.1 million (up from $3.3 million in 1980).

A new addition to the Tylenol line in 1981 was a "personal size" tube, containing 12 tablets of regular or Extra-Strength Tylenol, which was backed last year with trade ad support.

Already a presence in the cold-remedy market with its CoTylenol tablets and liquid in both adult and child strength (backed by $6.1 million in 1981). McNeil is determined to take a larger piece of the slow-growing (3% per year), $1.2 billion national pie. In various stages of testing are Duonex day and nighttime capsules, backed by $30,200 in spot tv last year, and new Coldmax maximum-strength, multisymptom tablets, backed by $122,700 in spot tv.

McNeil's entry in the sinus remedy category, Sine-Aid sinus

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Mary Herlehy

J&J's Tylenol dominates the analgesic market.

tablets (with acetaminophen), garnered $3.6 million in measured support last year, all in tv. In addition, McNeil expanded Maximum-Strength Tylenol sinus medication into Chicago, Cincinnati and St. Louis, after year-long controlled-store testing.

Feminine hygiene products, marketed by the Personal Products Co., received $40.3 million of J&J's measured ad expenditure, or 32% of the total. Market leader Stayfree (mini and maxipads) garnered $17.3 million in measured support ($12.8 million in network tv and $3.6 million in magazines), making it J&J's No. 2 brand spender behind Tylenol. Spending for Carefree panty shields reached $10.5 million, way up from the $5.9 million spent in 1980.

After an out-of-court settlement with J&J last October, Tampax Inc. agreed to drop its claim that its new "Maxithins can protect better than maxipads" and no longer compares its pad to "the leading maxipad" in newspaper ads.

Already holding well over half of the sanitary napkin market with its Stayfree, Carefree and Modess brands, J&J introduced superthin Sure & Natural maxishields in 1980, touting the new pad's "full-size protection." In its second year on the market, Sure & Natural received $8.7 million in ad support ($6.9 million) in network tv and $1.8 million in magazines).

It remains to be seen how J&J's digitally-inserted o.b. tampon will fare after the final results of the toxic shock syndrome scare are in. While it does not contain the ingredient that forced P&G's Rely off the shelves, many women have shied away from tampon use in general. Though o.b. is the leading tampon outside the U.S., it has never quite caught on here; analysts feel its share potential is at best 10%. Spending for the brand declined further in 1980.

J&J's Assure "natural fit" tampon, a more mainline entry with tubal application, has yet to make it out of test market, with dipping support ($200,500 in 1981, $447,000 in 1980) confined to magazines and spot tv.

Personal Products Co. is expanding its testing of Take-Off makeup remover cloths. Spending for the new entry in 1981 was $242,900 (in magazines and spot tv), with 1982 spending expected to reach a national rate of $8 million. Established Shower to Shower deodorant body powder received $1.1 million in measured support last year.

Ad spending by J&J's Baby Products Co. declined 36% to $20.2 million, from $31.8 million in 1980, representing only 16% of the company's total measured ad expenditure. One major reason for the decline was J&J's exit from the U.S. disposable diaper market during the first quarter. After reaching a high of 20% five years ago, Johnson's diaper fell to less than 8%. P&G, already the market leader with Pampers at 59%, was toting up a staggering 70% of the market (including elastic-leg Luvs) and Kimberly-Clark, after bombing with Kimbies, was sitting pretty in Huggies 17%. Nonetheless, J&J has not shut the door on diapers in the U.S. and promises to "dedicate substantial research and development toward new and improved diaper products."

Spending for Johnson's baby lotion, oil, shampoo and powder (all leaders in their categories)—fell 21.6%, from $20.9 million in 1980 to $16.4 million in 1981. Ads continued to aim at an expanded market, pitching to both male and female adults as well as babies. The big spender in the group, Johnson's baby shampoo, declined from $9.5 million in 1980 to $7.2 million in 1981; likewise, spending for Johnson's baby powder dropped from $7 million in 1980 to $4.3 million in 1981. Spending for a newer powder product, Johnson's corn starch baby powder without talc, also declined, from $1.4 million 1980 to $651,900 in 1981, probably due to an over-all decline in powder use among parents.

Last summer, J&J ran radio spots in selected markets promoting its original baby powder as a "personal air conditioner." Follow-up print ads stated, "Share that cool, dry, comfortable feeling only Johnson's baby powder can give."

Spending for Johnson's baby oil remained steady at $2.7 million, while support for Johnson's baby lotion showed a healthy 47% gain, from $1.5 million in 1980 to $2.2 million last year. Both products were subjects in a suit filed by J&J against Carter-Wallace, charging that false advertising for C-W's Nair depilatory had damaged sales of J&J's oil and lotion.

Late last year, a federal district court issued an injunction to prevent Carter-Wallace from emphasizing Nair's baby oil ingredient in "any advertising medium or packaging in such a fashion that the consumer would perceive that the baby oil ingredient alone was the cause of Nair with baby oil's softer and smoother effect."

Recently introduced baby products—Johnson's baby bar soap, baby bath, baby bathing sponges and baby wash cloths which went national—showed dwindling support, garnering a total expenditure of $810,300 in 1981. Only established No More Tangles creme rinse got an increase in ad support, from $247,700 in 1980 to $335,900 in 1981. One baby product area showing increased interest is toys. Joining J&J Playpath Playthings (introduced in 1979) last year were J&J Child Development Toys ($375,500 in magazines and spot tv) and J&J Unforgettable Toys ($355,200 in magazines).

In the healthcare division of J&J Products Co., Reach toothbrushes unseated the Band-Aid brand as the top product spender, garnering $6.3 million in measured media support in 1981, way up from the $4.4 spent in 1980. Last year, Reach emerged as the largest-selling toothbrush in the U.S. and is now marketed in 31 countries overseas. In addition, J&J planned to spend $9 million backing new Reach Plus toothbrush, with a longer, narrower brush head, less slanted and with more bristles.

After only token spending for its line of dental flossses in recent years, J&J launched a two-pronged advertising campaign last year and backed it with $2 million.

Band-Aid bandages (including first-aid product group ads) received $3.6 million in measured media support in 1981. Spending for the brand was down from $4.3 million in 1980, but is likely to increase significantly again in 1982 due to the introduction of two new adhesive bandages—one made of mesh fiber and another with flexible fabric—that are getting $17.5 million in ad support.

J&J also introduced Band-Aid Kitchen Assortment, a package of bandages of unusual shapes to fit hard-to-adhere places where cuts often occur, like fingertips and knuckles. The company predicts all its new bandages will capture more than 40% of the market. The original Band-Aid already holds over 50%. Ads for J&J's first-aid products ran last summer in Sunday supplements, offering money-off coupons and free first-aid kits for proofs of purchase. Capitalizing on its reputation as "the first name in first aid" (with Band-Aid), J&J introduced early this year a new three-item topical treatment line. Clinicydin (anti-infection), Clinicaine (painkiller) and Clinicort (anti-itch and rash) are being promoted as "all you'll ever need to treat 95% of your first-aid needs." The line is getting a $4 million ad effort.

J&J spent almost $2 million to support its Sundown sunscreen, the category's No. 1 national best seller, up from the $1.25 million spent in 1980. Sundown's market share increased from 21% to 23% of the $75 million sunscreen segment, which continues to pick up share against tanning products. Last year sunscreens chalked up a 15% growth rate, while tanning products were up 12%. The over-all suncare market is worth about $225 million. Last year J&J expanded its Sundown line with a water-resistant version with a protection factor of 15. This summer's theme for the line is, "Don't go out till Sundown."

Ortho Pharmaceutical, the largest U.S. manufacturer of contraceptives, has in recent years extended its role in the nonprescription area. In addition to moving its over-the-counter items into nondrug outlets, it formed in 1980 a separate sales force for consumer products. Total spending for Conceptrol (contraceptive gel and prophylactics), Delfen vaginal foam, new Gynol II contraceptive jelly, Intercept contraceptive inserts, and Ortho Personal Lubricant was $1.6 million (down from $2 million in 1980), all in magazines. The newest Ortho product, Daisy 2 home pregnancy test kit, was acquired late last year from Bio-Dynamics, Indianapolis.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$4,694,600	$5,058,600
Magazine	22,516,600	18,259,700
Farm publications	268,400	231,600
Spot tv	3,788,800	4,895,100
Network tv	97,132,300	90,471,500
Spot radio	3,321,300	610,400
Network radio	848,700	777,300
Total measured	132,568,700	120,409,100
Unmeasured	62,431,300	56,590,900
Estimated total	195,000,000	177,000,000

JOHNSON & JOHNSON PRODUCTS

New Brunswick, N. J.

MARKETING PERSONNEL

Health Care Division

P.M. Lonergan, vp-genl mgr
K G. Hobby, natl sales mgr
L.B. Koslow, group prod director, oral care prods
J.M. Nugent, group prod director, new business devel
J.R. Gregg, director, mktg services
K.A. Browning, director, mktg rsch

Orthopaedic Division

J.P. Kearney, director of sales
J.T. Paulic, director of prod mgmt
N.Simkins, director, new business devel
J.A. Ciffolillo, vp-genl mgr

Patient Care Division

P.J. Ventrella, vp-genl mgr
H.R. Hamm Jr., director-prod mgr
E.W. Benecke, director of sales
B.J. Gryctko, mktg service mgr
P.D. Tukey, mgr creative services
S. Fox, mgr, adv & promos
R.W. Bauer, group prod director, securement & specialty prods
P.R. Clough, group prod director, wound care prods

Specialty Products

W.E. Dorsett, vp-genl mgr
R.E. Scott, director of govt mktg
J.A. Streed, director of athletic prods
G.P. Kutsop, director of govt contract bid

ADVERTISING AGENCIES

Young & Rubicam, New York—dental floss, new prods, adhesive bandages—Tim Eland, mgmt super.

Cadwell Davis Partners, New York—toothbrushes—Jeffrey Zeiler, Lois Underhill, senior vps-mgmt supers.

Kallir, Philips, Ross, New York—professional mktg programs—Lee Palmer, mgmt super.

Simms & McIvor, Bridgewater, N. J.—orthopaedic division.

MED Communications, Hopelawn, N.J.—patient care division.

Simms & McIvor, Bridgewater, N.J.—patient care division.

Cummins, MacFail & Nutry, Somerset, N.J.—specialty prods—G. MacFail, president.

JOHNSON & JOHNSON BABY PRODUCTS CO.

Skillman, N.J.

MARKETING PERSONNEL

J.R. Utaski, president
W.C. Egan, director of prod mgmt
C.A. Spalding, vp-adult toiletries
P.S. Boorujy, vp-genl mgr/professional prods div

ADVERTISING AGENCIES

SSC&B, New York—shampoo, swabs, nursing pads, No More Tangles creme rinse, baby cornstarch—Alan Grazio, exec vp; Dick Ellington, Jim Coakley, mgmt supers; Linda McCreight, Ian McGregor, acct supers; Mark Young, Anna Koules, Paul Ahern, acct execs.

Young & Rubicam, New York—baby oil, cream, lotion, powder—Eugene O'Sullivan, vp-mgmt super; Elsa Schaefer, Mark Linder, acct supers; Maureen McAllster, Ellen Hochman, Maria Geraci, acct execs.

McCann-Erickson, New York—baby washcloths, baby bar, baby bath—Michael Sennott, senior vp; Terrance Fitzgerald, acct super; Joanna Coates, acct exec.

Compton Advertising—new prods—Tom Lom, mgmt super; Wyn Lydecker, acct mgr; Chris Boeltz, acct exec.

Wundermann, Ricotta & Kline—child develop toys—Ed Ritchoff, vp mgmt super; Andrea Farr, acct super.

McNEIL CONSUMER PRODUCTS CO.

Fort Washington, Pa.

MARKETING PERSONNEL

W.G. Lynch Jr., natl sales mgr
C.D. Simonds, director of prod mgmt
H.S. Frieze, director of professional mktg
R.E. Whittaker, group prod director
J.T. Lenehan, group prod director
B.R. Bartlett, group prod director
J.R. McGann, sales promo director
E.A. Behmer, director, communication
J.L. Strickler, mktg rsch director

ADVERTISING AGENCIES

Compton Advertising, New York—T.Lom, mgmt super; J. Sloan, acct super; J. Harrington, acct super W. Lydecker, E. Happell, acct execs.

Kallir, Philips, Ross, New York—J. Racik, senior vp; E. McCarren, senior acct exec, J. Grossman, acct exec.

Mendoza, Dillon & Asociados, Newport Beach, Cal.—Richard E. Dillon, president.

McNEIL PHARMACEUTICAL

Spring House, Pa.

MARKETING PERSONNEL

F.G. Ziegler, vp, prod mgmt
T.H. Odiorne, vp, sales
E.R. Steel, exec director, mktg communications

ADVERTISING AGENCIES

Kallir, Philips, Ross, New York—V. Trovati, senior vp, mgmt super.

Sudler & Hennessey, New York—R.J. Brancaccio, senior vp.

PERSONAL PRODUCTS

Milltown, N. J.

MARKETING PERSONNEL

M.R. Hayes, president
J.B. Ziegler vp-mktg
E.F. Chase, director of prod mgmt
D.P. Fraser, director of mktg rsch
T.K. McCarter, P.S. Michaels, A.G. Nuzzo, B.D. Snyder, group prod directors

ADVERTISING AGENCIES

Young & Rubicam, New York—Stayfree maxipads and minipads, Shower To Shower body powder—B. Thompson, mgmt super.

SSC&B, New York—Carefree panty shields— W. Croke, mgmt super.

Caldwell Davis Partners, New York-Sure & Natural maxishields, o.b. tampons —L. Underhill, mgmt super.

Compton, New York—Take Off makeup remover cloths—D. Basch, mgmt super.

JOHNSON & JOHNSON DENTAL PRODUCTS CO.

East Windsor, N.J.

MARKETING PERSONNEL

J.B. Godshall, vp-mktg
M.E. Stein, vp-worldwide business devel

ADVERTISING AGENCY

Mel Richman Inc., Bala-Cynwyd, Pa.—George Fore, acct super.

ORTHO PHARMACEUTICAL CORP.

Raritan, N.J.

Pharmaceutical

MARKETING PERSONNEL

P.T. Tattle, vp-mktg

D.N. Longstreet, exec director of sales & mktg services

ADVERTISING AGENCY

Kallir, Philips, Ross, New York—L. Palmer, vp, acct super.

Consumer Products Division

MARKETING PERSONNEL

R.B. Miller, vp-genl mgr
J.L. Abramson, director of mktg rsch
D.B. Bellaire, director of prod mgmt

ADVERTISING AGENCIES

Kallir, Philips, Ross, New York—L. Palmer, vp-acct super.

McCann-Erickson, New York—I. Hooper, acct super.

Barnum Communications, New York—J. Frazee, acct super.

Dermatoglogical Division

MARKETING PERSONNEL

P.T. Tattle, vp-mktg
B.L. Burnside, director of mktg

ADVERTISING AGENCY

Kallir, Philips, Ross, New York—L. Palmer, vp-act super.

ORTHO DIAGNOSTIC SYSTEMS

Raritan, N.J.

MARKETING PERSONNEL

F.A. Barnette, vp-mktg

ADVERTISING AGENCY

Kallir, Philips, Ross, New York—Raymond Wilhelm, acct super.

CELLULOSE PRODUCTS CORP.

Milltown, N.J.

MARKETING PERSONNEL

L.W. Bateman, vp-genl mgr

CHICOPEE

New Brunswick, N.J.

MARKETING PERSONNEL

R.L. Bramson, vp-mktg, indust div
J.S. Neely, vp-mktg, branded prods div
R.I. Munoz, vp-mktg, affiliate div & private label prods div

ADVERTISING AGENCIES

Bozell & Jacobs, Union, N.J.—Paul Cote, acct super.

SSC&B, New York.

CODMAN & SHURTLEFF

Randolph, Mass.

MARKETING PERSONNEL

R.F. Caffrey, vp-mktg

ADVERTISING AGENCY

Grover & Carroll, Boston—C. Stuart Grover, acct exec.

ETHICON INC.

Bridgewater, N.J.

MARKETING PERSONNEL

J.A. Lent, vp-mktg
L.J. Armour, vp-sales
R.M. McCaffrey, vp, prod mgmt
R.N. Jones, vp-mktg services
W.E. Tidmore, director, adv & creative services

ADVERTISING AGENCY

Mel Richman Inc., Philadelphia—W.F. Robertson, acct super.

CRITIKON INC.

Tampa, Fla.

MARKETING PERSONNEL

Thomas E. Taylor, president
Thomas M. Gorrie, vp-mktg
Daniel J. Genter, vp, sales

ADVERTISING AGENCY

Lewis & Gilman, Philadelphia—K.A. Marden, vp-acct super; D. Brenda. acct exec.

PITMAN-MOORE

Washington Crossing, N.J.

MARKETING PERSONNEL

C.M. Roan, mktg director
G.R. Heath, natl sales director
D.R. Arnold, mgr, surgical & specialty prods
F.H. Gvillo, mgr, biological prods
D. Sleighter, mgr, pharmaceutical prods

ADVERTISING AGENCY

Brady Co., Milwaukee.

SURGIKOS

Arlington, Tex.

MARKETING PERSONNEL

F.G. Fitzpatrick, president
J.D. Terry, vp-mktg
E.E. Barnes, vp-sales
M. Smoler, vp-prod mgmt
J.W. Midgley, director, new ventures

ADVERTISING AGENCY

Ruvane-Leverte, New York—Walter Landers, acct super; Jacquelyn Beatty, acct exec.

S.C. Johnson & Son

	1981	1980
Sales..........	$2,000,000,000	$1,800,000,000
Advertising*.	66,560,000	51,411,600

*AA Estimate

S.C. Johnson & Son, Racine, Wis., was the 79th largest national advertiser in 1981. In an effort to remain competitive with its domestic consumer product businesses, it hiked its ad budget approximately 29% to $66.6 million.

Johnson is privately held and does not reveal sales and earnings. Worldwide sales for 1981 are estimated at $2 billion, with domestic sales accounting for approximately 40%, or $800 million.

Founded in 1866 as a marketer of wood flooring, Johnson built its reputation on floor and furniture care products and subsequently branched into insecticides, automotive products, air fresheners, laundry products and other household cleaners.

As many of these categories reached maturity, Johnson began to explore other avenues of growth, and in 1977 established a personal care division. The company since has launched three major brands in an attempt to establish a presence in that field.

Although it emphasizes its commitment to this relatively new venture, Johnson continually is seeking other opportunities. In 1981, the company quietly began to investigate the over-the-counter drug business. While it stresses that such activity is "strictly exploratory," Johnson has hired a consultant to assess options for entry—both by acquisition and internal product development.

In 1981, Johnson concentrated much of its attention on shoring up and extending existing product lines. It appears to be determined to cut its losses on less successful brands by eliminating media support.

In 1981, the company moved deeper into the personal care business by entering the $490 million hand and body lotion category with the September launch of Soft Sense Skin Lotion. Originally touted for its greaseless qualities, with the ad theme "All you feel is soft," Soft Sense positioning shifted more to the therapeutic side of the category earlier this year with a new "Healin' Feelin' " campaign. The company, which told the trade it would spend a total of $17 million in advertising and promotion during the six-month introductory period, spent $2.4 million in measured media in the last few months of 1981.

By mid-1982, Soft Sense had reached a 7% share, which the company claims is on target. Its entry coincided with the launch of Vaseline Dermatology Formula from Chesebrough-Pond's and Jergens Aloe & Lanolin lotion from Andrew Jergens Co. Jergens has a 15% share for all products combined, and Chesebrough has 25%.

Also in mid-1981, the company launched Enhance Shampoo as a companion to the year-old Enhance Conditioner. Targeted at women aged 25 to 34, the brand originally was positioned to "moisturize overworked hair." Whether it was an unclear definition or the competitive nature of the category, the brand has not lived up to company expectations and is being restaged. In mid-1982, the shampoo had a 1% share; the conditioner had 3%, down slightly from a year earlier.

In measured media, the company spent $3.3 million on the conditioner, down 25% from the previous year. It spent $1.5 million on the shampoo alone, and $1.3 million on the products combined.

Johnson increased support for its Agree brand. It hiked spending on the shampoo 26%, to $4.6 million, and on the conditioner 47%, to $5.3 million. It doubled spending on the products combined to $1.1 million. Also introduced was Agree Intensive, a five-minute deep conditioner, with $1.6 million in measured media. However, that segment of the conditioning category is thought to be limited.

Agree was given a facelift with a new campaign, "Escape the Greasies," designed to give it a "younger, hipper image." Although the new push helped the brand initially, its share leveled off. In mid-1982, the conditioner had a 4.7% share, down from an alltime high of 18%, and the shampoo, once with a 6% share, was down to 2.4%.

Also in haircare, the company briefly test marketed Achieve, a conditioning shampoo, in Tucson and Lexington.

Edge shaving gel continued to perform well for Johnson. With a 13% share, that product is second to Gillette Foamy (20%) in the men's shaving preparation category.

In floorcare, Johnson increased the advertising support slightly on its major cleaners. Brite, its entry in the no-wax floor segment, was backed with $3.6 million, a 4% increase from 1980, the year it was introduced. Although Brite initially appeared to have great potential, outperforming Lehn & Fink's Perk and Airwick Industries' Shine Guard (which were introduced at the same time), the product is considered only a "moderate success" by the company, and its share has leveled off at 8.5%. Meanwhile, Shine Guard has been withdrawn, and Perk has achieved an 11.6% share.

Brite's poor performance is attributed to the repositioning of existing brands for use on no-wax floors. Indeed, Johnson's Step Saver and Future are no exception. Both were restaged for that application in 1981, and are doing well. Step Saver has a 10.5% share, up slightly from a year earlier, and Future has 21%, up from 19%. Spending on Step Saver was $2 million, up 147%. The company backed Future with $3.3 million, up 43%.

Altogether, Johnson holds 50% of the category. Klear and Glo Coat continue to decline.

In furniture care, the company has a combined share of 54%. Pledge increased its market share from 35% to 41%. It was backed with $4.45 million, down 15%. Favor, which is not supported with media advertising, had a 4% share, down from 6%. Complete, introduced in 1980, was down from an 8% to a 4% share. Spending was cut 83%, to $446,000.

Shout laundry soil and stain remover, introduced in liquid form in 1980, was hurt by the introduction of Clorox Pre-Wash. Its share was down to 23% from 32%, and the new Clorox product won a 22.3% share. Texize's Spray 'n Wash continued to lead the market, with 49%. Johnson put nearly all of its media budget behind the liquid version, increasing spending 32% to $3 million. A Shout bleach was removed from test market.

The company continued to strengthen its Raid line. Over-all spending was increased 27% to $7.4 million in 1981. Raid crack & crevice spray, introduced in 1980, has done well, according to the company; spending was down 11% to $1.37 million.

Johnson also introduced Raid tomato and vegetable fogger nationally, and Raid Gypsy Moth and Japanese Beetle Killer in Northeast regions where that problem is severe. The Raid line is receiving more of a challenge this year as Texize revamps its acquired No Pest line, once belonging to Shell. Johnson has 48% of the insecticide market.

Off! continued to dominate the insect repellent market with a 78% share. Its major competition, Cutter Laboratories' Cutter line, was down slightly. Measured media spending for the line was $830,000, up slightly from a year earlier.

Johnson also dominates the aerosol air freshener business with Glade, which has a 47.5% share of that segment. Glade Solid holds an 11% share of that part of the category. The company spends minimally on that brand, investing $287,000 in measured media in 1981, an increase of 187%. Johnson is testing Glade Strips in Tucson and Toledo.

In other products, Johnson appears to be disappointed with Befresh! toilet bowl freshener, introduced with high expectations in 1980. Spending was $670,000, down 60% from a year earlier. The subsegment, the company explains, was not as large as initially anticipated.

Spending on the J/Wax car care line was $990,000, up 70%. The company put responsibility for the manufacturing, marketing and distribution of the line under the management of its Northern Laboratories subsidiary, and in mid-1982 switched the J/Wax account to G.M. Feldman & Co. from Foote, Cone & Belding.

In mid-1981, the company formed a Creative Arts division to manage its Creative Arts and Paternayan Bros. and Elsa Williams subsidiaries. It assigned that account to Warren & Epstein, New York.

In a trademark infringement suit brought against Johnson by Chesebrough-Pond's over the use of the word "Intensive" in the Agree Intensive hair treatment, a Federal judge ruled that Johnson did not infringe on Chesebrough's rights.

Johnson's Worldwide Innochem Operations consist of a commercial products group and a specialty chemicals group.

The commercial products group includes categories such as floor care, cleaning and disinfecting, air care, carpet care, furniture care and pesticides. The specialty chemicals group includes areas such as metalworking, special coatings, polymers and specialized chemicals for the graphic arts industry.

In the spring of 1982, Alfred Aragona, who had joined the company less than a year earlier, resigned as senior vp-marketing and sales. His marketing responsibilities were given to Laurance Newman, previously vp-regional director of commercial products for the company's Pacific and Far East divisions. The sales responsibilities went to David Henry, vp-U.S. Consumer Product Sales.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers......	$1,179,000	$1,496,800
Magazines.......	12,318,500	9,890,300
Spot tv............	6,404,500	3,415,400
Network tv.......	31,478,800	23,330,900
Spot radio........	1,600	1,066,500
Network radio...	189,200	977,900
Outdoor..........	—	365,000
Total measured	51,560,000	40,411,600
Unmeasured...	15,000,000	11,000,000
Estimated total.	66,560,000	51,411,600

JOHNSON WAX U.S. CONSUMER PRODUCTS

MARKETING PERSONNEL

R.M. Carpenter., exec vp, U.S. consumer products
L.R. Newman, vp-mktg, U.S. consumer products
D.C. Henry, vp, U.S. consumer products sales
R.F. Chay, director of mktg rsch
A.B. Priemer, director of mktg services
P.J. Grieger, pr mgr
W.C. George, national field sales mgr
J.N. Wallace, director, sales promo and development
B.P. Harris, genl mgr, personal care
R.E. Posey, genl mgr, insect control
J.D. Culea, group prod mgr, home care
B.M. Pritchard, group prod mgr, home care
G.L. Konarske, director, business planning and development
Category managers: J.F. Bleharski, M.L. McKie, J.O. Scherer, K.H. Smith
H.E.M. Murphy, new prod devel mgr, insect control
R.D. Perry, new prod devel mgr, personal care
Prod managers: H.B. Beighley, C.L. Colman, S.A. Danuser, R.L. DeRose, E.W. Gaskell, B.R. Groat, C.M. Hardin, J.M. Hutterly, W.L. McCollum, C.K. Nitta, M.N. Redlin, R.L. Sligh, W.L. Stewart, C.R. Townsend

WORLDWIDE INNOCHEM OPERATIONS

MARKETING PERSONNEL

M.J. Black, vp-regional director, commercial prods, Europe/Africa/Near East
S.W. Cairns, vp-regional director, commercial prods, Pacific/Far East
J.C. Moll, vp-commercial prods, U.S.
R.A. Dow, area director, commercial prods, Americas
W.J. Freund, director, Global Specialty Chemicals

INTERNATIONAL CONSUMER PRODUCTS

MARKETING PERSONNEL

L.R. Peterson, exec vp
J.F. Keane, vp, international consumer prods mktg and planning
J.D. Crabb, vp-regional director, consumer prods, Europe
G.W. Delp, vp-regional director, consumer prods, Pacific/Far East
T.S. Malone, vp-regional director, consumer prods, Americas
M.B. Miller, vp-regional director, consumer prods, Africa/Near East

JOHNSON WAX ASSOCIATES

MARKETING PERSONNEL

W.D. George, exec vp
J.R. Ambruster, vp-controller and director of admin
A.J. Getz, president, Johnson Creative Arts
F.J. Herre, president, Under Sea Industries
P.N. Herrmann, president, Old Town Canoe, Stim-U-Plant
J.R. Reyen, president, Johnson Camping
W.R. Tenney, president, Johnson Fishing

ADVERTISING AGENCIES

Foote, Cone & Belding, Chicago—Raid, Off!, Brite, Future, Shout—D. Fox, vp-mgmt super.

Needham, Harper & Steers, Chicago—Agree, Enhance, Glade, Soft Sense—J. Black, vp-acct director

J. Walter Thompson USA, Chicago—Edge, Pledge, Complete, Step Saver, Favor—J. Furr, vp-mgmt super.

Campbell-Mithun, Chicago—specialty

chemical prods—R. Sullivan, mgmt super; commercial prods, K. Probst, mgmt super; G. Kay, acct super.

G.M. Feldman & Co., Chicago—J/Wax Automotive—David Percy, vp-acct services.

Wm. Baxter, Minneapolis—Johnson Camping, Johnson Fishing—D. Hatch, J. Rausch, mgmt supers.

Roy Briz, Los Angeles—Under Seas Industries—R. Briz, president.

Warren & Epstein, New York—Johnson Creative Arts—D. Warren, president; L. Epstein, exec vp.

K mart Corp.

	1981	1980
Sales	$16,527,012,000	$14,204,381,000*
Earnings	220,251,000	260,527,000
Advertising**	349,611,000	319,314,000*

*Revised

**AA estimate

K mart Corp., Troy, Mich., the nation's sixth largest advertiser, found itself increasingly challenged in 1981 in the race to catch up with Sears, Roebuck & Co. K mart still lags far behind the $27 billion-plus No. 1 retailer, with 1981 sales of $16.53 billion, a 16.5% increase over 1980. The high cost of operations brought 1981 earnings to $220.3 million, a 15.4% decline from 1980. K mart's major playing card in the game to catch Sears is its increased ad budget. It boosted ad spending to $349.6 million in 1981, a 9% increase over 1980's $319.3 million, and K mart expects its 1982 ad budget will exceed $400 million.

The most dramatic increase occured in network tv spending. In 1981, the discount store marketer spent $11.8 million, a 100% jump from the previous year's $5.06 million in network tv. K mart also increased spending for spot tv, up to $22.8 million from last year's $18.5 million. Magazine expenditure was cut by $1.6 million. K mart's newspaper advertising budget, which is prepared and handled in-house and placed locally, is included in AA's unmeasured figure of $287.3 million. There has been some speculation that the company will move $15 million of its business from Ross Roy to Campbell-Ewald.

Despite the 171 new K marts opened in 1981, the company is planning on slower expansion, and will instead focus its resources on upgrading and refurbishing units. Only 250 new stores are planned for the next four years.

During 1981 alone, K mart revamped 463 of its more than 2,000 stores. During 1982, the company will continue its efforts to upgrade K mart's image, remodeling all its apparel departments. Additionally, the company will expand its home improvement departments in order to capture a larger share of the do-it-yourself home improvement market.

K mart is also trying to put more quality name brands in its stores and advertising. Such designer labels as Sergio Valente, Calvin Klein and Sasson can be found sprinkled through K mart stores cross-country. This merchandise is sold at discounted prices, providing the image of quality for less.

In a major move by its apparel division, K mart Apparel, a wholly owned domestic retail subsidiary which operates the women's ready-to-wear departments in all of its U.S. stores, K mart is expected to spend $4 million advertising its Jonathan Logan line of women's sportswear.

K mart hopes, said Howard Chalk, managing director of fashion agency Chalk, Nissen, Hanft, New York, to "capture a larger share of the softgoods business and capitalize on the tremendous traffic it has in its stores to begin with. This is a move toward carrying more well-known brands and higher level brands in softgoods [for K mart]."

By spending $4 million on advertising a single brand, K mart's ad budget for women's apparel for 1982 will be substantially increased from 1981 expenditures of almost $2 million. The first flight of tv, radio, some fashion magazine advertising and newspaper supplements began in August.

Other divisions of the company include K mart Canada Ltd., which is a wholly owned subsidiary operating the company's Canadian stores, Kresge stores and the Jupiter chain, the company's limited-line small discount stores. The latter was cut by 13 units in 1981, bringing the total to 69 stores in the U.S., Canada and Puerto Rico. K mart has been keeping a watchful eye on the Kresge chain, and eliminated 25 failing stores in 1981. There are 250 Kresge stores in the U.S. and Canada.

Furr's Cafeterias a subsidiary of K mart, consists of a chain of cafeterias in the southwestern U.S. In 1981, the company announced it would begin to increase the number of restaurants, planning to reach a growth rate of between 40 and 50 cafeterias per year by 1985.

To further its growth in the restaurant industry, K mart opened two fast-food restaurants in test markets on June 17. Called Abra K Dabra, the restaurants feature pizza, family entertainment, such as magic shows, and electronic games. Restaurants will be placed near to K marts across the country if the first two, located in the St. Louis area, test successfully. K mart introduced the restaurants with newspaper ads and spots on local radio and tv.

In September, 1981, K mart acquired a 44% interest in Astra, a Mexican holding company with food, general merchandise and related real estate operations.

K mart continues to own a 20% equity in G.J. Coles & Coy Ltd., Australia's largest retailer, which in turn owns 68 K mart stores, 362 supermarkets and 170 variety stores. The equity yielded $20.1 million for K mart, which was $8.6 million more than the previous year.

ADVERTISING EXPENDITURES

	1981	1980
Magazines	$8,250,800	$8,154,000
Spot tv	22,781,800	20,232,000
Network tv	11,800,100	5,264,000
Spot radio	7,884,400	6,500,000
Network radio	2,635,600	4,500,000
Outdoor	144,900	150,000
Total measured	53,497,300	46,821,600
Unmeasured*	287,290,000	275,000,000
Estimated total	340,787,300	321,821,600

*Includes preprint newspaper advertising

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ADVERTISING EXPENDITURES†

	1981	1980
Magazines	$7,285,000	$8,911,900
Spot tv	27,300,000	18,478,800
Network tv	12,736,000	8,060,100
Spot radio	8,228,000	8,549,400
Network radio	6,702,000	—
Outdoor	72,000	150,600
Total measured	62,321,000	44,311,000
Unmeasured	287,290,000	275,000,000
Estimated total	349,611,000	319,311,000

†Figures provided by the company

MARKETING PERSONNEL

J.L. Moser, director, adv and sales promo
R.M. Mazade, director, creative adv

ADVERTISING AGENCIES

Ross Roy Inc., Detroit—Peter Vetowich, senior director of retail.

Chalk, Nissen, Hanft, New York—Jonathan Logan women's sportswear—Howard Chalk, managing director.

Kellogg Co.

	1981	1980
Sales	$2,321,300,000	$2,150,900,000
Earnings	205,400,000	184,000,000
Advertising*	102,111,300	95,689,000

*AA estimate

Kellogg Co., Battle Creek, Mich., the nation's 54th largest advertiser, spent $102.1 million in advertising in 1981, with heavy increases in outdoor advertising and network radio. Over-all spending increased 6.7% from 1980's $95.7 million, and spending on network tv and magazines increased. Spot radio and tv and newspaper ads decreased.

Kellogg won what corporate officers termed "a major victory" in its 10-year battle with the Federal Trade Commission over charges of shared monopoly among the Big Three cereal makers. The FTC scrapped the complaint late last year without further appeals.

If successful, the action would have split Kellogg into five companies, distributing its brands among them. William E. LaMothe, chairman-chief executive officer, called the case "a classic example of government wasting taxpayers' dollars."

Also in 1981, the company posted its 37th consecutive year of increased sales with a worldwide total of $2.32 billion. That is an 0.8% increase from sales from the previous year. Earnings were up 12% to $205.4 million. U.S. sales, which account for 63% of the business, 1% more than in 1980, were $1.45 billion and U.S. earnings reached $151 million or 73% of total earnings, a 2% increase over 1980.

Although the company's sales and earnings have been rising briskly, Kellogg's share of the $3 billion-a-year American cereal market slipped from a peak of 43% in 1976 to 38.5% in 1981. However, this is still greater than the combined market share of its nearest rivals, General Mills and Post cereals.

Kellogg's Corn Flakes still remains the company's largest-selling product.

A major new product line, Nutri-Grain, was introduced during the year. It is Kellogg's only cereal with no sugar added, and the only U.S. flaked cereal made from whole grain. In order to thwart competitors, the company skipped test marketing and introduced four types of Nutri-Grain—corn, wheat, barley and rye—at the same time.

A record ad budget, an estimated $15 million, was set for the first year to advertise the new brand. Kellogg planned a heavy schedule of magazine ads, including *Self, Runner's World, Wall Street Journal, Sports Illustrated, National Geographic, Newsweek, Time* and *Vogue*.

Although Nutri-Grain grabbed a 1% share of the market, a success by traditional industry standards (the biggest seller, corn flakes, has a 6% share), the company was not wholly satisfied. Earlier this year, it quietly withdrew the rye and barley flavors and replaced them with a new flavor, Wheat & Raisins. Kellogg also is extending its Rice Krispies family with Marshmallow Krispies. The Snap, Crackle and Pop characters will be used in tv and print advertising.

The Mini-Wheats line was extended in January, with Apple Frosted Mini-Wheats. It was introduced nationally with the theme, "We've topped a good thing!"

An improved Special K cereal with a new flake and new packaging is being test marketed. And, in response to consumers' requests, more raisins were added to Kellogg's Raisin Bran cereal; a "New! More Raisins!" advertising campaign proved successful, the company said.

The company plans to expand its distribution of Le Shake liquid low-fat yogurt this year. The drinkable yogurt was successfully marketed in 1980 in the northeastern U.S.

Kellogg's international operations represent approximately 37% of the company's net sales and extend to 130 countries. Growth was reported during 1981 in three major and highly developed markets, Canada, the United Kingdom and Australia.

Kellogg has begun plans for construction of a new high-technology cereal facility that will utilize some existing equipment in the London, Ontario, plant. As one of the company's largest capital projects, plans for this facility include improvements to existing products and development of new cereals.

A major effort to refit and modernize packaging equipment in the Manchester, England, plant is under way. The Manchester facility is the company's second-largest cereal plant, next to Battle Creek, and serves over 75 countries in Europe, Africa and the Middle East.

The recently completed advanced technology plant in Wrexham, Wales, also helps the growing European market.

Kellogg holds a 49% share of the market in the United Kingdom and spent $23 million on advertising there last year.

The company said it plans to enter new markets in some areas of the world where the concept of a nutritious breakfast that includes ready-to-eat cereal is as novel as it was in the U.S. in 1906 when corn flakes were introduced.

Construction is under way on a new facility for processing a variety of ready-to-eat cereals in South Korea. Test market results, a high standard of living, a Western work ethic and above average consumer purchasing

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power indicate South Koreans will accept and enjoy ready-to-eat cereals, it said.

In Saudi Arabia, another new market entry for the company, Kellogg International introduced ready-to-eat cereals to 21,000 school children through a unique sampling project.

Mrs. Smith's Frozen Foods Co., a Kellogg subsidiary, introduced frozen crepes, quiche and Italian entrees nationally early this year. The entrees are promoted with the theme, "Nobody cooks like the Mrs." Eggo apple-cinnamon frozen waffles were introduced nationally early this year. Kellogg's Eggo, a leader in the category, has a dollar share of about 31%.

Kellogg's Salada Foods unit was reorganized into a subsidiary of Kellogg's U. S. food products division in 1982, with headquarters relocated to Little Falls, N.Y. Robert J. Lievense was named president of the new unit, with Edward F. Kline named senior vp-marketing and sales. A new line of drink mixes further extended the selection of beverage products available from Salada in 1982.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$3,815,500	$4,175,100
Magazines	5,097,500	4,407,800
Spot tv	17,276,700	18,969,000
Network tv	67,260,000	59,803,200
Spot radio	2,057,400	2,499,600
Network radio	1,460,500	619,700
Outdoor	143,700	11,800
Total measured	97,111,300	90,486,200
Unmeasured	5,000,000	5,202,800
Estimated total	102,111,300	95,689,000

KELLOGG U.S. FOOD PRODUCTS DIVISION

MARKETING PERSONNEL

A. G. Langbo, president
R. C. Fox, exec vp-sales
J. R. Aubuchon, senior vp-mktg
R. L. Myers, vp-director, group prod development
W. H. Swain, director, mktg services
R. L. Pollard, director, group prod development
T. C. Tussing, director, mkt development
D. H. Brenner, director, mkt development

ADVERTISING AGENCIES

Leo Burnett USA, Chicago—Cereals, Le Shake yogurt—W.T. Lynch, senior vp-client service director; J. M. Jenness, J. W. Drobnyk, vp-acct super; D. Cummings, K. Yednock, W. Whitman, acct supers; B. Key, T. O'Day, E. Hill, T. Roth, D. Baker, T. Pretzsch, G. Kash, D. Gletcher, K. Specht, S. Brewer, acct execs.

J. Walter Thompson USA, Chicago—Nutri-Grain cereals—Robert Westerfield, senior vp-client service director; Dean Proctor, vp-acct super; G. Lange, acct exec.

Vince Cullers Advertising, Chicago—Vince Cullers, president.

U.S. SUBSIDIARIES

MARKETING PERSONNEL

R. L. Nichols, group exec vp, Kellogg Co.

MRS. SMITH'S FROZEN FOODS CO.

Pottstown, Pa.

MARKETING PERSONNEL

R. L. Nichols, president-ceo
A. J. Simpson, exec vp-chief operating officer
Michael Wolfe, senior vp-mktg and sales
Jack MacDonald, natl sales mgr

FEARN INTERNATIONAL

Franklin Park, Ill.

MARKETING PERSONNEL

D. E. Thompson, president
E. K. Jorgenson, senior vp, sales and mktg

ADVERTISING AGENCY

Davis, Munder & Ostir—Percy Munder, president.

SALADA FOODS

MARKETING PERSONNEL

R. J. Lievense, president
E. F. Kline, senior vp, mktg and sales

ADVERTISING AGENCIES

Leo Burnett USA, Chicago—Mrs. Smith's, Eggo, Pure Packed Foods, Salada—Bill McBride, acct super; Donald B. Cummings, acct super, Salada.

Kimberly-Clark Corp.

	1981	1980
Sales	$2,900,000,000	$2,600,300,000
Earnings	205,000,000	182,000,000
Advertising*	62,440,000	54,527,900

*AA estimate

Kimberly-Clark Corp., Neenah, Wis., the 82nd largest advertiser in 1981, is estimated to have spent $62.4 million in advertising, up 15% from $54.5 million in 1980. Sales were up 11% to $2.9 billion from $2.6 billion the previous year. Net income increased 13% to $205 million from $182 million.

In 1980, K-C was reorganized into two operating groups: Consumer and service group, including such products as sanitary napkins, disposable diapers, tissues and paper towels; and a healthcare, paper and specialities group. The consumer and service group contributes approximately 65% of sales.

Part of the purpose of that reorganization was to shore up domestic business, a goal the company is beginning to accomplish. In contrast to 1980, K-C's domestic operations were stronger than its international operations in 1981. Net income in the U.S. was up 15% to $120 million; outside the U.S. it was up 10% to $85 million. The previous year, net income in the U.S. had declined 5% to $104 million, and outside the U.S. it had increased 61% to $77 million.

K-C, which essentially created the feminine hygiene category with the introduction of the Kotex sanitary pad in the 1920s, in 1980 shifted the emphasis of its advertising support to the New Freedom line. The company spent a total of $14.9 million in measured media on New Freedom, up 39% from a year earlier. Spending on the Kotex brand was $9.8 million, down 14%.

In early 1982, K-C launched a New Freedom super maxipad designed for protection on "heavy first days." Advertising says it is longer than "the other super maxipad."

With the two brands combined, the company claims approximately 25% of the $1 billion dollar feminine protection category. In the wake of the discovery of toxic shock syndrome and its link with tampon use, tampons have lost about 10 share points (from 47% to 37%), to sanitary napkins.

K-C apparently has made note of this development, and in 1981 almost eliminated ad spending for its Kotex Security tampon. That tampon has a minuscule share of the market.

K-C's Huggies disposable diapers with elastic legs, now in 87% of the country, saw some new competition from Procter & Gamble in 1982. After a very brief test period, P&G began to expand an elasticized Pampers with "stay-dry gathers" into a number of regional markets. The elasticized Pampers, priced at parity with regular Pampers, are priced 25% below Huggies and P&G's premium brand, Luvs.

Pampers is said to have approximately 50% of the field. Huggies is running slightly behind Luvs; they are running neck-and-neck in areas where they both are distributed. Most of the share held by Johnson & Johnson (8%) before it got out of the market in early 1981, has gone to lower-end products, now claiming 18% of the field.

Apparently determined to maintain its position, K-C hiked the Huggies ad budget by 87% to $12.8 million.

Kleenex Super Dry, distributed in the Southeast, or the 13% of the country where Huggies are not available, will remain in that region for the time being.

Kleenex facial tissue saw some new activity in early 1982, when K-C launched Kleenex Softique, an extra-soft formula, in the West. By July, Softique was moving into New England states, New Jersey, Pennsylvania, Washington, D.C., and parts of New York. The company continues to test a dry-formed tissue under the Softique name in Albany and Rochester, N.Y. The version now being expanded is made by the traditional wet formula.

Ad spending on Kleenex Boutique was increased 128% to $2.3 million. Spending on regular Kleenex facial tissues was down 28% to $3.8 million.

Kleenex's chief competitor is Procter & Gamble's Puffs, which it leads by a few share points.

K-C's Hi-Dri line of lower-price paper towels and toilet tissues received a small amount of ad support ($128,000) in 1981, its first, possibly in reaction to the introduction of P&G's new Summit line. The company also markets a Hi-Dri facial tissue in the Northeast, where generic activity is the strongest.

Depend, the company's entry into the briefs-for-incontinence field also is a high K-C priority. Previously testing in Kansas City and Green Bay, the product was expanded into the entire state of Wisconsin in 1981. The line will be introduced in much of the Midwest this fall. Available in drug and surgical supply stores, it is being supported by tv advertising. It competes against several products, which also are in early market stages. Procter & Gamble's Attends is distributed nationally in hospitals and nursing homes, and Johnson & Johnson is testing Espree in Tucson. (Depend is marketed under the Comform name in Lima, O.)

Both K-C and P&G are experimenting with ways to market their products directly.

The company discontinued its test market of Epic, nonwoven, durable cleaning cloths that had been testing in Jacksonville since 1981. It moved Tough Cat, a similar product, from test in Kansas City and St. Louis to Phoenix.

In mid-1982, Peter Larson, senior vp-marketing for the consumer and service companies, was named president of that group's U.S. business, a new position. Tom Dahl, formerly manager of seasonal products at S.C. Johnson & Son, joined as vp in charge of personal care products. J.D. Bernd was named to direct the activities of the tissue group.

K-C's Roswell, Ga.-based healthcare, nonwoven and industrial group introduced a disposable food service wipe called KleenUps, which is positioned against cloth.

That unit also introduced Spuncare, a cover gown for hospital personnel made of spunbonded polypropylene fabric.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$1,656,000	$1,534,800
Magazines	9,050,800	9,211,000
Spot tv	12,940,900	9,890,600
Network tv	21,145,600	18,107,000
Spot radio	648,200	341,900
Network radio	903,100	1,442,600
Total measured	46,344,600	40,527,900
Unmeasured	16,095,400	14,000,000
Estimated total	62,440,000	54,527,900

K-C CONSUMER AND SERVICE COMPANIES

MARKETING PERSONNEL

R.C. Ernest, president
P.N. Larson, president, U.S. business
R.F. Auchter, vp-infant care products
J.D. Bernd, vp-tissue business group
T.L. Dahl, vp-personal care business group
W.A. Dickens, vp-rsch, devel & fiber utilization
R.S. Fountaine, vp-U.S. mktg rsch
W.M. Heran, vp-new business devel, U.S.
M.C. Sacher, vp-service tissue products
G.A. Zins, vp-consumer tissue
R.C. Van Driest, vp-feminine care

K-C HEALTHCARE, PAPER & SPECIALTIES COMPANIES

(U.S. only)

MARKETING PERSONNEL

M.F. Gade, president
J.C. Whitaker, vp-business planning and Eastern U.S. forest prods business

K-C Health Care, Nonwoven & Industrial Group

M.F. Gade, president (acting)
J.S. Rausch, vp business planning and controller
R.D. Carter, vp-nonwoven business
K.A. Ingram, vp-nonwoven and industrial division
G.R. McGrevin, vp-healthcare division
R.F. Rieter, vp-new business devel
A.B. Amdur, director-mktg rsch

K-C BUSINESS PAPER GROUP

A.H. Johnson, president

Neenah Paper Division

J.O. Skagen, vp and genl mgr
W.J. Schroeer, natl sales mgr
R.L. Mayotte, mgr-adv/sales/promotion

Brown-Bridge Division

R.W. Kohl, vp
J.A. Miller, genl mgr-sales and mktg

Karolton Envelope

R.R. Brown, vp
J.H. Werth, genl sales mgr
F.J. Belpulsi, mktg mgr

K-C TECHNICAL PAPERS & SPECIALTY PRODUCTS GROUP

R.H. Sonnentag, president

K-C Technical Papers & Specialty Products Businesses

R. Plaut, vp
J.H. Sweitzer, mktg rsch director

Specialty Products Business

J.W. Donehower, vp and genl mgr
J.R. Grau, business mgr-cigaret paper
J.P. Callahan, business mgr-tipping and specialty papers

Technical Papers Business

T.D. Plant, vp and genl mgr
J.W. Tosch, business mgr-dielectric and film prod

Coosa River Newsprint, Pulp & Forest Products Co.

S.B. Pinkerton, president
L.W. Howell, director-sales & mktg

ADVERTISING AGENCIES

Leo Burnett USA, Chicago—consumer tissue prods, New Freedom feminine care prods, Depend incontinence briefs, Epic cloths—G. Barrett, mgmt director.

Ogilvy & Mather, New York—Kotex feminine care prods, infant care prods—C. Angers, group director.

Tatham-Laird & Kudner, Chicago—Tough Cat cloths—N. O'Meara, mgmt super.

Burton-Campbell, Atlanta—service prods, industrial wipes—Mike Bressler, acct super, Sharon Carrier, acct exec, Bonnie Marcus, acct exec.

P.B.A., Bloomington, Minn.—durable papers—Glenn Adair, president.

Kamstra Communications, St. Paul, Minn.—correspondence, cover & text papers—John Warner, vp-acct super.

MED Communications, Hopelawn, N.J.—healthcare prods—William Papciak, vp.

Lewis & Gilman, Philadelphia, Pa.—Spunguard operating room sterile disposable prods—Kenneth A. Marden, vp, HealthCom division.

Kaspar Kocs & Wesson, Brookfield, Wis.—nonwovens—Kevin Kaspar, president.

Liggett Group

	1981	1980
Sales*	$1,192,481,000	1,060,507,000†
Earnings*	53,600,000	57,500,000
Advertising**	43,500,000	36,000,000†

*Fiscal years ended Sept. 30
**AA estimate
†Restated

Liggett Group, Montvale, N.J., the 93rd largest national advertiser, increased its ad spending 21% in 1981 to an estimated $43.5 million.

Grand Metropolitan, a giant hotel, dairy, restaurant, gambling and beverage conglomerate, acquired Liggett Group in June, 1980.

In its first full year as a division of Grand Met, Liggett increased its sales 12%, to $1.2 billion, although earnings were down 7% in fiscal 1981 to $53.6 million. This compares with 1980's sales of $1.06 billion, and earnings of $57.5 million.

Liggett's nine operating companies manufacture and distribute cigarets, tobacco products, spirits and wines, pet foods, soft drinks, sporting goods and food ingredients.

Liggett cigarets include L&M, Lark, Chesterfield and Eve. Tobacco products include Velvet, Granger and Edgeworth pipe tobaccos and Red Man, the largest-selling chewing tobacco in America.

The unit cigaret sales of Liggett & Myers Tobacco Co. increased for the first time in 17 years, due to the success of new lines of generic cigarets and Eve 120's. L&M's generic product line is packaged in plain white. Carrying the simple legend "Cigarets" in black. L&M's generic cigaret sells at about $1 less per carton than name brands. The line of generics are all 14mg or under, and include menthol and ultralows. The generics holds a 1% share of the cigaret market, equivalent to $130 million at the factory level. L&M's market share dropped from 5.2% in 1967 to a 2.3% share of the domestic cigaret market last year.

The expansion to national distribution of Eve Lights 120's resulted in minor sales increases that were seen as surprising to the industry. The brand received $2 million in measured media support in 1981.

Liggett introduced Omni Luxury Lights 100's, a menthol cigaret, in several test markets. Mingo-Jones Agency is handling the promotion which features a man and woman in formal dress and states, "Introducing the world's most elegant menthol."

Last year, the Federal Trade Commission ordered Liggett Group to pay $85,000 in fines for allegedly failing to disclose health warnings "conspicuously" in ads and point-of-purchase material. The settlement requires more visible health warnings in oudoor ads. Several other major tobacco companies also got hit with similar restrictions and fines.

Liggett conducts its chewing and smoking tobacco business through a wholly owned subsidiary, The Pinkerton Tobacco Co. Sales were higher at The Pinkerton Co., where the company's principal brand, Red Man looseleaf chewing tobacco, increased its share of market and strengthened its position as the largest-selling brand in the U.S.

Also contributing to the increase in sales was the success of a new product, Red Man Moist Plug, and the distribution benefits resulting from the consolidation of The Pinkerton Co. and L&M cigaret sales forces. In 1980, Pinkerton's measured support was $1 million. In 1981, it was more than doubled.

The Pinkerton Co. also manufactures and sells a wide variety of pipe tobacco brands under its own trademarks, principally Granger, Velvet and Black Clipper. Since 1974, Pinkerton has been manufacturing and selling other pipe tobacco under the brands Edgeworth Ready Rubbed, Rum and Maple, V.I.P., Holiday and John Rolfe. Pinkerton's sales of pipe tobaccos have continued to follow a long-term decline in the industry. The company recently entered several test markets with its first moist snuff product, Culver Brothers.

Liggett imports and distributes spirits and wines through its wholly owned subsidiaries, The Paddington Corp. and Carillon Importers. Paddington is primarily an importer of scotch whisky bottled under the J&B brand name of Justerini & Brooks Limited, an English company established in 1749, also owned by Grand Met.

Paddington has had the sole right to import J&B products since 1937. Sales of J&B were lower for 1981, according to *Business Week*, dropping 6.5% to 2.2 million cases, from 2.3 million cases in 1980.

Total sales of scotch in general have declined for the last few years, although J&B continues to be the largest selling scotch in the U.S. The media budget for 1981 was $15 million. In 1980, Paddington spent $10 million aggressively advertising J&B, via a campaign that touts the brand as having a taste that "whispers."

Paddington also distributes three other International Distillers & Vintners (IDV) scotches: Royal Ages 15 year old, Catto's Gold Label and Knockando, a single malt, which was introduced in 1981.

Paddington was appointed by IDV as the sole U.S. distributor of Baileys Original Irish Cream in 1980. Baileys has enjoyed remarkable success and has become one of the leading-selling imported liqueurs.

Baileys has an estimated 6% of the cordials and liqueur market, with an ad budget of $8 million. Baileys' success has resulted in a number of cream liqueurs from other companies. In fact, so many brands have followed in Baileys' path that industry observers predict an eventual shakeout. At present, however, none of the host of imitators has offered Baileys serious competition.

Carillon is the exclusive U.S. importer and distributor of Grand Marnier Liqueur, the leading French liqueur in the U.S. Media spending for Grand Marnier was $2 million in 1981.

In 1981, Carillon introduced the Piat d'Or line of French wines which have made a promising debut. Liggett also owns the trademark and distribution rights to Bombay English gin, distributed in the U.S. by Carillon. Carillon also imports Absolut Swedish Vodka.

While growth in the U.S. pet food industry was modest in 1981, Alpo premium canned dog food, the principal brand at Liggett's Allen Products Co., exceeded the industry rate of growth, improved its market share and maintained its position as the largest-selling brand of canned dog food. Media spending on Alpo in 1981 totaled nearly $13.5 million, according to Leading National Advertisers.

The Liv-A Snaps product line maintained its leadership position in its segment of the pet treat business. Sales of Alpo Beef Flavored Dinner and Alamo, major brands in the larger dry dog food segment of the market, eroded in the face of competitive market activity.

Liggett conducts its soft-drink business through its wholly owned subsidiaries, Atlantic Soft Drink Co. and Pepsi-Cola Bottling Co. of Fresno. The soft-drink bottling companies reported good results and maintained their leadership positions as the largest bottlers in their respective territories, with a dominant share of the soft-drink market.

Both companies bottle the full line of Pepsi-Cola products and operate in areas with very favorable climatic and demographic characteristics for soft-drink consumption.

Pepsi-Cola bottling Co. of Fresno continued to make excellent gains and broke ground last year for a major new bottling facility which will consolidate all production operations in one location.

High interest rates and the resultant contraction of trade inventory levels slowed the growth of the U.S. physical fitness and sporting goods industry in 1981, but Liggett's Diversified Products Co. achieved record results. New product introductions included a new line of boxing equipment, several new exercise bicycles and racquetball racquets, and a versatile compact home fitness system named Gym Pac 1000.

The U.S. food ingredient operations of Express Foods Cos., another Liggett subsidiary, were expanded and reorganized in 1981 with the acquisition of Western Dairy Products in San Francisco. This acquisition makes Express Foods one of the largest manufacturers of dairy-based protein ingredients in America.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$2,472,100	$3,775,300
Magazines	19,788,200	12,524,500

BUSINESS WITH BILL*

[Frankly, an advertisement]

Yes, frankly, this is an ad. Our objective? If we can reflect to you the uniqueness of our Bill Communications' properties, then you can judge us even better as a reader, perhaps an advertiser, and maybe even a future fellow employee.

John Hartman
Chairman of the Board
Bill Communications, Inc.

Teamwork! So very important in this competitive industry of publishing. Without teamwork your successes will be minimal. Bill Communications personifies the words "teamwork" and "team effort."

When I first arrived at BillCom five years ago, I noticed immediately the willingness of each department to offer complete accessibility to my necessary requirements. From our editorial staff, to accounting, to circulation, everyone was pulling together to assist my sales efforts on the East Coast for *Incentive Marketing*.

That same togetherness is continuing to grow five years later. For the past two and a half years, I have been managing the sales activities for the same publication in BillCom's West Coast office. Although the distance from our corporate office could not be greater, I constantly have the team support from my colleagues back East.

Yes, BillCom is a unique company. Everyone has an opportunity for personal growth and development, and our continued success is based on people who are involved and want to participate. Each person has the freedom to express his or her thoughts and communicate with corporate management.

Peter V. Edmunds
Western Sales Manager
Incentive Marketing

With Bill: 5 years

Fifty-three years with BillCom (and its predecessors) in what began as a temporary job—"fifty-three years" should speak for itself, I think, but I have been prevailed upon to say something more—reluctantly, I confess.

But I'll see what stands out among my souvenirs of what makes working for BillCom worthwhile.

The Great Depression, when everyone accepted salary cuts so that no one would be laid off.

The office party, when Ray Bill detailed our Profit Sharing Plan—first in the publication field. And we now also enjoy a host of other fringe benefits.

Getting very personal—I am here 53 years thanks to company policy of employee reevaluation after a certain age.

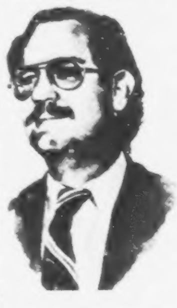
During these years my services as assistant editor, managing editor, production editor, associate editor, senior editor, plus working with printers, photoengravers, artists, advertisers, accountants, and many sterling associates along the way have given me a well-rounded, fascinating, and what-I-wanted experience in the business publication field. And the last five years or so have been enriched as I work part time for *Rubber World* and as editor of BillCom's company publication.

I doubt I could have received such experience and for so long elsewhere.

Sylvia R. Hague
Senior Editor
Rubber World

With Bill: 53 years

Bill Communications is a company for the independent, self-motivated, goal-oriented individual. Technical competence must be coupled with vision and tenacity. Corporate staff is kept to a minimum and the financial people like me are involved in the creative process as advisers, not as policemen. For them success is measured by numbers, and the numbers at Bill have been very gratifying, indeed. Sales in 1972, the year I joined the company, were $10 million. Sales in 1981 were $33 million. That represents an average increase of 15% per year for the last nine years. During those years, the company has started four new magazines, increased employment levels by 10%, and become a national leader of a disappearing breed—the privately held publishing company.



At Bill, the emphasis is always on quality, of product and performance. There are probably some areas where we could save a nickel here, a dime there, but Bill wouldn't be the company it is if we did.

Joseph J. Furey
Corporate Controller

With Bill: 10 years

*BILL COMMUNICATIONS, INC. *PUBLICATION DIVISION:* INCENTIVE MARKETING □ INDUSTRIAL CHEMICAL NEWS □ INSTITUTIONAL DISTRIBUTION □ JOBBER/RETAILER □ MODERN TIRE DEALER □ PLASTICS TECHNOLOGY □ RESTAURANT BUSINESS □ RESTAURANT DESIGN □ RUBBER WORLD □ SALES & MARKETING MANAGEMENT □ SUCCESSFUL MEETINGS □ *INFORMATION DIVISION:* BILLCOM LIST RENTAL □ INTEGRATED FOODSERVICES □ MARKET STATISTICS □ SALES BUILDERS CORPORATE HEADQUARTERS: 633 THIRD AVENUE, NEW YORK, NY 10017 [212-986-4800].

Spot tv	5,062,000	3,438,800
Network t.	10,553,100	9,390,500
Spot radio	264,800	—
Outdoor	2,674,300	2,037,400
Total measured	41,614,500	31,386,400
Unmeasured	1,885,500	4,613,600
Estimated total	43,500,000	36,000,000

CORPORATE MARKETING PERSONNEL

Jonathan W. Old, president & ceo
Robert H. Fasick, vp-admin
Robert B. Seidensticker, vp, tobacco companies
Jim Adams, vp-corporate devel and strategy planning
Dan Provost, vp-public affairs
Al Kalish, director of corporate adv

LIGGETT & MYERS TOBACCO CO.

MARKETING PERSONNEL

K.v.R. Dey Jr, president & ceo
Hal Grant, vp-sales & mktg
Don Fish, natl director-adv and promo
John Franklin, mgr of mktg programs
Fred DiMenna, adv promo mgr
Joe Drescher, group promo mgr
Bob Seher, director-sales admin & services
L.P. Hughes, natl field sales mgr
Jim McPartland, eastern region sales mgr
Ennis Laws, southern region sales mgr
Dave Jackson, natl director, trade & sales promo
Jim Dowd, director, mktg private label & generics
Steven Cohen, director, sales planning & devel
Bobby Rigsbee, director, purchasing

ADVERTISING AGENCIES

Bloom Cos., Dallas—Bill Oakey, mgmt super; Steve Price, acct super; Nancy Rehling, acct exec; Alan Armstrong, acct exec; Cindy Avery, acct coord; Mark Oken, senior vp media dir; Bev Leibee, media planner, Eve Lights cigarets, special projects.

Mingo-Jones Advertising, New York-Omni cigarets-Frank Mingo, president.

PADDINGTON CORP.

MARKETING PERSONNEL

Al Ferro, president & ceo
Dick Mastracci, vp-genl sales mgr
John Daly, vp-sales, New York
Bob Suhr, vp-mktg
Al Giordano, vp-research planning
Joe McKenna, director of pr
Susan Lupien, brand director, Baileys Original Irish Cream
John Seewald, brand director, J&B
Tim Mulligan, asst brand director
D. James McCue, sales promo director
Ann E. Berenger, mgr sales research

ADVERTISING AGENCY

Backer & Spielvogel, New York—J&B Rare scotch, Catto's Gold Label scotch, Royal Ages scotch, Knockando scotch, Baileys Original Irish Cream liqueur, Crofts sherries and ports—John Kelly, vp-acct director; Larry Rosenthal, vp-acct director; Mike Rowland, acct super; Peter Marsman, acct exec; Steve Leff, exec vp and director-media services; Jay Schoenfield, senior vp-media director; Ann Meschery, vp-assoc media director; Fred Betts, media planner; Sid Shane, media super, J&B; Valerie Muller, media super, Baileys; Tom Volke, planner; Joan Greenberg, mgr, out-of-home.

CARILLON IMPORTERS

MARKETING PERSONNEL

Albert H. Singer, president & ceo
*Michel Roux, vp-natl sales mgr
Tim Enos, vp-mktg
Carolyn Kaiser, mgr, adv & promo

*Michel Roux will become president following Singer's retirement Sept. 30. Tim Enos will become exec vp.

ADVERTISING AGENCY

TBWA Advertising, New York—Grand Marnier, Absolut vodka, Cherry Marnier, Lapostolle cognac, Bombay gin, Bertani wines, Punte Mes, Achaia Clauss Greek wines andouzo, Lescours Abbaye, Dunhill Scotch, Ackerman-Lawrence sparkling wines, Piat wines—William Tragos, chairman & ceo; Brian Barry, vp-mgmt super; Jhan Synder, acct exec; Claude Fromm, vp-media director.

THE PINKERTON TOBACCO CO.

MARKETING PERSONNEL

Jim Nelson, vp-mktg
Don Robelen, chief financial officer & treas
Rich Russell, vp sales director
Bill Taylor, prod mgr
Arlene Coyle, prod mgr
Barbara Romano, asst prod mgr

ADVERTISING AGENCY

Benton & Bowles, New York—Red Man, Union Station, Big Duke, Black Clipper, Culver Bros. Snuff—Bill Sandeberg, acct super; Ira Schwarz, acct super; Frank Massaro, assoc media director.

ALLEN PRODUCTS CO.

MARKETING PERSONNEL

Joe Sestak, president & ceo
Jack Foley, exec vp
Frank Krum, senior vp-mktg & sales
Bob Beckwith, vp-sales
Jim Schmoyer, senior vp-operations
Ty Allen, senior prod mgr
Katherine Hillman, senior prod mgr
Ann E. Shaffer, prod mgr
Elaine Moore-prod mgr
Bart Campbell, mgr of pr

ADVERTISING AGENCY

Weightman Inc., Philadelphia—Alpo canned and dry dog food, Bi-ta dog biscuits, Liv-A Snaps pet treats, Alamo dry dog food—John Goodchild, vp-mgmt super; Ralph Day, senior acct super; Doug Schorres, acct super; David Wolfe, Mark Plamondon, William Annesley, Cathy Guarino, acct execs; Neil Harrison, vp-media director; Ray Dundas, assoc media director.

DIVERSIFIED PRODUCTS CORP.

MARKETING PERSONNEL

Cal James, president & ceo
Buddy Pilgrim, exec vp
Ira Silberman, senior vp
Ira Pollack, vp-corp mktg & purchasing
James Thompson, vp-mktg & sales
Lanier Johnson, mktg director
Greg Eveland, group prod mgr

ADVERTISING AGENCY

Walker & Associates, Memphis—Delos Walker, president.

LEACH INDUSTRIES

Charles Drake, vp & genl mgr

PEPSI-COLA BOTTLING CO. OF FRESNO

MARKETING PERSONNEL

Ron Dorrell, president & ceo

ATLANTIC SOFT DRINK CO.

MARKETING PERSONNEL

Larry Smith, president & ceo
James Moore, vp-mktg
Bob Buys, vp-operations

Loews Corp.

	1981	1980
Sales	$4,776,000,000	$4,535,000,000
Earnings	253,200,000	206,000,000
Advertising*	141,384,400	132,785,300

*AA estimate

Loews Corp., N.Y., the nation's 42nd largest advertiser, increased its ad budget 7% in 1981 to $141.4 million. Sales climbed 5.3% to $4.8 billion and net income rose 23% to $253.2 million, from $206 million in 1980. Income from continuing operations rose 20.8% to $268.2 million, and 1981 was the fifth consecutive year in which Loews reported record revenues and operating income.

CNA Financial Corp. had mixed results in 1981, with intense competition, inflation, high interest rates and the recessionary economy adversely affecting the insurance industry. In 1980 and 1981, CNA contributed 65% of Loews' revenues. Property and casualty insurance revenues were up 15.4% to $1.9 billion, but income contribution fell 6.4% to $80.3 million. Life insurance revenues were down about 5.5% and income contribution fell sharply again in 1981, down 16.3% to $25.8 million. Consumer finance revenues slipped 3.2%, while income contribution fell for the second consecutive year, 35% to $32.2 million, reflecting the closing of loan offices and the sale of receivables. CNA's ad budget was again devoted exclusively to magazines. Spending in 1981 increased 21% to $2 million.

The company strengthened its ties to independent agents by calling for a "Re-Declaration of Independence." As part of this campaign, the company proposed a "Bill of Rights" stressing the responsibility of agents and insurers. CNA is the No. 1 insurer of architects and engineers, and the second-largest in the libel and slander fields.

For the sixth year in a row, Loews' Lorillard Division reported satisfactory growth in cigaret sales. Lorillard held onto its rank as fifth-largest cigaret marketer in the U.S., despite an intense competitive environment.

However, Lorillard's share dropped 0.5% to 9.2%, while fourth-ranked American Tobacco also lost share points, dropping to 9.7% from 10.8%. In 1981, a 1% share of market was equivalent to more than $130 million at the factory level. Lorillard executives said the company's decline was due to massive ad spending by competitors, widespread use of free goods and merchandise by some companies and new product introductions by competitors.

Lorillard sales, representing 23.2% of Loews' revenues, rose 5.3% to $1.11 billion, and net income contribution climbed 12.3% to almost $178.2 million. Sales and net income increased for the fifth straight year.

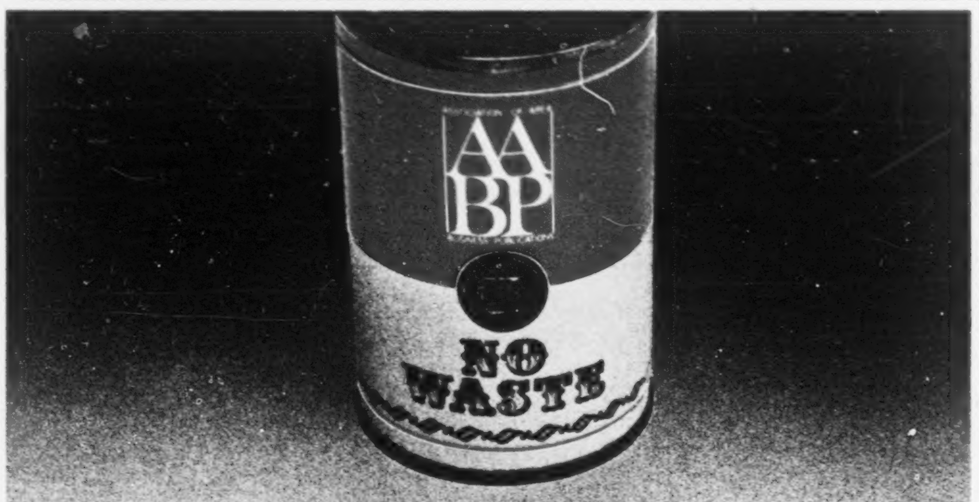
In an attempt to hold on to its remaining share, Lorillard has developed several new ad campaigns aimed at solidifying its grasp of the low-tar cigaret market, 15mg or lower. Low-tar cigaret consumption now accounts for almost two-thirds of the market, with the ultra-low tars (0 to 6mg) in the area of 11%. Low tars captured 60% of the market in 1981, up from 48.5% in 1980. Of this market, Lorillard has about 11%. About 75% of its cigaret volume is in the low-tarmarket, more than other companies, according to industry analyst John C. Maxwell Jr.

Kent III and Triumph, two 3mg brands introduced in 1979, fared quite differently in 1981. Kent III currently holds 1.3% of the market, while Triumph keeps its head above water at five-tenths of 1%, which is industry minimum for success.

Foote, Cone & Belding, the main Lorillard agency, created a spread which appeared in *Sports Illustrated* to dramatize the success of Kent III having made it big in its first years. The ad showed a panoramic view of Yankee Stadium with an oversize Kent III outdoor board surprinted over the left field wall. The ads were an extension of the Kent III cities campaign, with themes tailored to particular locales. Kent sales over-all fell to 18.65 billion units from 20.28 billion in 1980. Market share declined to 3.0%. Kent III and other Kent products were supported by $13 million spent on magazines, newspaper supplements and outdoor. Triumph sales were down 11.3% to 2.27 billion units. Spending was $12.6 million on magazines, newspaper supplements and outdoor. Triumph 100s rolled national in 1981 with the theme, "Taste the Umph in new Triumph 100s." Ads for the two brands have continued to focus on taste, despite the fact both are in the ultra-low tar market segment.

The rest of the Kent line did not fare as well as Kent III, slipping 8.7% to 11.3 billion units. Ad support, however, picked up 100% to just over $2 million, devoted to premiums, newspaper supplements and outdoor. Golden Lights, considered one of the industry's faster-growing brands, lost ground this year. Unit sales fell 14.4% to 9.60 billion. Ad backing in magazines, newspaper supplements and outdoor continued to drop, down 17% to $12.3 million.

Faced wih slumping sales of True, the ultra-low tar, Lorillard launched a new campaign to reverse the situation. True's unit sales slipped 10.8% to 9.85



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☐ Focus/Philadelphia, PA
☐ Long Island Business, NY
☐ Maryland Business Journal, MD
☐ New England Business, MA
☐ New Jersey Succe$$, NJ
☐ Pittsburgh Business Times, PA
☐ Regardie's Business Magazine, D.C.
☐ Vermont Business World, VT
☐ Westchester Business Journal, NY

SOUTH
☐ Advantage, TN
☐ Business Atlanta, GA
☐ Business North Carolina, NC
☐ Caribbean Business, LA
☐ Florida Trend, FL
☐ Houston Business Journal, TX
☐ Kentucky Business Ledger, KY
☐ Miami Review, FL
☐ Mid-South Business, TN
☐ New Orleans Citibusiness, LA
☐ Pinellas Review, FL
☐ Tampa Bay Business, FL
☐ Texas Business, TX

MIDWEST
☐ Corporate Report/Kansas City, MO
☐ Corporate Report/Minnesota, MN
☐ Crain's Chicago Business, IL
☐ Crain's Cleveland Business, OH
☐ Indiana Business, IN
☐ Indianapolis Business Journal, IN
☐ Journal Record, OK
☐ Kansas Business News, KS
☐ Minnesota Business Journal, MN
☐ Northern Ohio Business Journal, OH
☐ St. Louis Business Journal, MO
☐ Wisconsin Business Journal, WI

WEST
☐ Alaska Business & Industry, AK
☐ California Business, CA
☐ Colorado Business, CO
☐ Denver Business World, CO
☐ Hawaii Business, HI
☐ Oregon Business, OR
☐ Pacific Business News, HI

CANADA
☐ Alberta, Inc., ALT
☐ Atlantic Business, NS
☐ B.C. Business Magazine, BC
☐ Manitoba Business, MAN
☐ Saskatchewan Business, SASK

billion units from 11.04 billion last year. The series of ads was a drastic departure from previous True campaigns, which focused on low-tar content. The new approach was designed to pull readers into the ads by having them look for the True package emblem on one of a series of similar objects. Ad spending was $10.4 million in magazines, newspaper supplements and outdoor, down 12.6% from the previous year.

For the second year in a row, the best news for Lorillard came from its Newport brand, which topped its high sales gain in 1980: Unit sales were up more than 26% to 14.03 billion units. Loriliard's only major high-tar brand, it stays on top of True and Colden Lights to remain the company's second-biggest seller after Kent.

Ad backing for all Newports, including Newport Red nonmenthol brands, in magazines, newspaper supplements and outdoor was $11.9 million, up 28% from last year.

Lorillard tried two market probes with two low-tar smokes, Bistro Lights and Maverick. Bistro Lights, supported by $87,500 in magazine and outdoor, was billed as "Not just another faceless cigaret," featuring a smoker's face on the pack. The low-tar newcomer was tested in Sacramento.

Maverick, a cigaret tried once before in the 1970s, reappeared in Texas and Spokane, Wash., as a women's cigaret that's a "whole new breed." Maverick had $47,000 in outdoor advertising.

The company also launched Rebel and Heritage low-tars in minimarket tests with full advertising and promotion schedules. Ad spending for Rebel was $49,000 in outdoor, while Heritage received $36,600 for outdoor ads. Rebel is getting its feet wet in Erie, Pa., Nashville, Buffalo and Roanoke, Va., and Heritage is testing the waters in Lexington, Ky. and Jackson, Miss.

Old Gold, a regionally marketed brand, had sales of 2.10 billion units, down 10.3% from 2.34 billion units last year. Ad spending in magazines and outdoor went up 44% to just over $1 million.

Max 120s, designed to snip away at Philip Morris' Virginia Slims sales, had sales of 880 million units, down 8% from 1981. Ad spending totaled $285,400 in magazines and outdoor.

While small in comparison to cigaret volume, the company's chewing tobacco division continues to grow. The company is directing more attention to its successful Beechnut brand and is reformulating Big Red for national distribution. Beechnut spent $1 million on advertising in 1981, down $92,000, most of it on network and spot tv.

Loews' hotel division, which brings in 5% of Loews' total revenues, had revenues of $240.3 million in 1981. Ad spending for all hotel properties amounted to about $331,800, most of it in magazines.

Bulova Watch Co., 94% of which was acquired by Loews two years ago, contributed sales of $179.5 million in 1981, down 9% for its second full year of Loews ownership. Income contribution, however, was up 41.4% to $4.7 million. The company says new accounting, cost control and assembly systems were installed, causing some loss.

Over-all, Bulova watches received about $2.9 million in ad support, spread betweeen magazines, newspaper supplements, spot tv and outdoor. Caravelle watches received $33,700 for magazine and newspaper. All three watch lines, Bulova, Accutron and Caravelle, were revamped and reintroduced in 1981.

Loews Theatre division continued its comeback from revenue declines and was up 9.5% to $59.9 million from $54.7 million. Income contribution was up sightly to $12.9 million.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$49,591,300	$45,624,400
Magazines	36,486,400	38,210,100
Spot tv	3,900,300	1,607,000
Network	1,332,600	4,363,600
Spot radio	32,800	304,000
Outdoor	25,041,000	21,676,100
Total measured	116,384,400	111,785,200
Unmeasured	25,000,000	21,000,000
Estimated total	141,384,400	132,785,200

LORILLARD DIVISION

MARKETING PERSONNEL

C.H. Judge, president
J.R. Ave, exec vp-mktg
R.H. Orcutt, senior vp-sales
T.H. Mau, vp-adv & brand mgmt
S.R. Ridgway, vp-pr
J.P. Mastandrea, director of sales-U.S.A.
G.R. Telford, group brand director
M.H. Burke, group brand director
C.W. Toti, director, mktg services
M.K. Capra, director, mktg devel
J.E. Daghlian, director, mktg devel
W. Sands, media director
P.A. Lawless, sales promo director
J.G. Flinn, mktg rsch director
R.D. Hammer, senior brand mgr
M.A. Kayiatos, E.M. Kiernan, P.R. Lawrence, E.G. Morgenthal, A. Pasheluk, C. Ray, brand mgrs
E. Schmitz, assoc brand mgr
C. Garbin, S. LaMonte, V. Lindsley, asst brand mgrs

ADVERTISING AGENCIES

Foote, Cone & Belding, New York—Kent, Kent III, Golden Lights, Max, new prods, corporate trade—Jack Oxee, Paul Iffland, mgmt supers.

Dancer Fitzgerald Sample, New York—Triumph, True, Beech-Nut chewing tobaccos, new prods—Tom Bohan, mgmt director; Joe Albanese, Don Bigda, Jerry Darringer, acct supers.

MCA Advertising, New York—Newport, Old Gold, new prods—George Hoefer, managing director.

SAMS, New York—all domestic prods in Hispanic markets—David Neuman, exec vp.

Case & McGrath, New York—new prods—Pat McGrath, president, Neil Tergeso, acct super.

LOEWS HOTELS

MARKETING PERSONNEL

Robert Hausman, president
William Maibach, exec vp
Ann Bontempo, vp-pr
Leo Bonardi, vp-sales

ADVERTISING AGENCIES

Landis & Landan, New York—Vernon Mosheim, acct exec.

Cavalieri, Kleier & Pearlman, New York—Ian Kleier, acct exec.

Enterprise Advertising Asen. LTD, Toronto—Alan C. Middleton, genl mgr.

LOEWS THEATRES

MARKETING PERSONNEL

Bernard Myerson, president
Bernard D. Diamond, exec vp
Donald E. Baker, vp-adv
Ted J. Arnow, asst vp-adv & promo
Henry I. Goldenberg, adv director

ADVERTISING AGENCY

Charles Schlaifer & Co., New York—Herb Joseph, vp-acct exec.

CNA INSURANCE COS.

MARKETING PERSONNEL

Edward J. Noha, chairman & ceo
R. Kropp, senior mgr-property & casualty mktg
R.B. Callahan, vp-life/health/pensions mktg
P.L. Engle, vp-mktg
Tom Snyder, asst vp-corp communications

ADVERTISING AGENCY

Frank C. Nahser Inc., Chicago—business, trade publications—Ron Nahser,president.

GENERAL FINANCE CORP.

MARKETING PERSONNEL

W.J. Devine, chairman & ceo
E.G. Stautzenbach, vp-director of mktg

ADVERTISING AGENCY

Cunningham & Walsh, Chicago—Jack Arnold, acct exec.

BULOVA WATCH CO.

MARKETING PERSONNEL

P.R. Tisch, chairman, exec committee
H.B. Henshel, chairman
A.H. Tisch, president
Jerry Josephson, vp-mktg
George Forman, vp-director, mktg services

ADVERTISING AGENCY

Doyle Dane Bernbach, New York—Ira Grindlinger, acct super.

MCA Inc.

	1981	1980
Sales	$1,328,988,000	$1,297,104,000
Earnings	89,788,000	119,042,000†
Advertising*	63,600,000	74,000,000

*AA estimate
†Revised

MCA Inc., Universal City, Cal., the 80th largest advertiser, cut ad spending by 14% in 1981, to an estimated $63.6 million.

A comparatively poor crop of films in 1981 from MCA's Universal Pictures, requiring less paid media ad support, caused the downturn, which is not uncommon in the cyclical motion picture arena, where the bulk of MCA's consumer marketing is focused.

In 1981 corporate financial results, MCA Inc. revenues were $1.33 billion, up just 2% from fiscal 1980's $1.30 billion. Net profits in 1981 of $89.8 million fell 25% from the year before and represent the poorest showing since 1977, excluding extraordinary income.

Fiscal 1981 and early 1982 were unusually active, marked by divestiture of operations and major new undertakings, usually through joint ventures.

Besides cutting its 1981 ad spending, MCA also altered its media distribution. Magazine buys accounted for only $530,500 of MCA's ad budget, down 68% from last year's $1.6 million, and newspaper expenditures fell 42%, to $4.1 million. Spot tv buys accounted for just $4.9 million this year, a decline of 50% from 1980's $9.9 million. Network radio spending was down 76% from last year, while network tv spending was increased 12%, to $17.9 million. Spot radio buys were also increased this year, up 31% to $6.4 million.

In 1981, the company spent $22.4 million in measured media promoting Universal Pictures, compared with 1980's $26.6 million. Of the 21 movies monitored by Leading National Advertisers, the three recipients with largest budgets were "Ghost Story," "Great Muppet Caper" and "Continental Divide."

In summer, 1981, Universal began buying cable tv ads backing "Nighthawks" and "An American Werewolf in London."

Filmed entertainment revenues—representing movie, tv and studio tour operations—were $788.7 million, inching up 2% from 1980, representing the lion's share of MCA's business.

In the theatrical arena, Universal's domestic market share shrank to just over 14% in 1981, down from 20% the year before, when it led the industry. "The Four Seasons" starring Alan Alda and "Bustin' Loose" starring Richard Fryor topped Universal's 1981 slate. "Night Hawks" starring Sylvester Stallone, "The Legend of the Lone Ranger," "All Night Long" and "Honky Tonk Freeway" were disappointments.

Universal Pictures' fortunes have improved significantly in 1982, due to the release of "E.T."

In a cost-cutting marketing innovation, Universal via Doyle Dane Bernbach advertised both "Conan The Barbarian" and "E.T." within a single 30-second network tv commercial. Heartwarming contemporary fantasy, "E.T." became summer 1982's big movie, certain to make the all-time movie hit list.

Universal was joined by Paramount Pictures and MGM/UA Entertainment in forming during October, 1981, United International Pictures, a joint venture to distribute films overseas.

Increasingly, efforts in movie production have been toward coventures or pickups of completed films. Universal's major film associates are British conglomerate Associated Communications Corp., PolyGram Pictures, RKO General, producer Dino De Laurentiis and Oak Industries. Also in theatrical, a new division has been established to produce programs for pay tv and cable.

In 1981, MCA said it wrote down $15 million for "unamortized tv values of theatrical films unlicensed to tv." However, it is said to own perhaps the most valuable film vault of all major film studios, worth $500 to $600 million.

Although not a marketer directly to consumers, Universal Television is a major supplier to the three networks with "Magnum, P.I." and NBC-TV's "Quincy," its most successful entries. Once the undisputed kingpin of network tv production, Universal Television has slipped recently.

Its traditional strength has been in hour dramas, which sell particularly well overseas, but a recent push in half-hour sit-com, lucrative in domestic syndication, fizzled when CBS-TV's "House Calls" and NBC-TV's "Harper Valley" were canceled.

MCA TV, the distribution and syndication arm, is among the most active major studio units engaged in barter syndication. "Sugar Ray Leonard's Golden Gloves" and off-ABC-TV "Hardy Boys/Nancy Drew Mysteries" are MCA TV's existing barter series. New advertiser-supported entries for fall 1982 and beyond are off-ABC-TV "Those Amazing Animals," "Memories with Lawrence Welk" and "Road to Los Angeles—1984."

In a deal locking up off-network series produced by a major independent, MCA TV has a long-term syndication deal with Alan Landsburg Productions bringing it syndication rights to ABC-TV's "That's Incredible," NBC-TV's "Gimme a Break."

Also considered part of filmed entertainment operations is Universal Studios Tour, conducted at MCA's 420-acre headquarters in Universal City, adjacent to Los Angeles. Promotions for the tour increased 17% in 1981, to $286,200.

As for major new efforts, MCA Inc. became a partner in a basic cable tv network, video programing and real estate development joint ventures. It also made acquisitions for its existing book publishing division.

In October, 1981, MCA bought one-third of USA Cable Network, the ad-supported basic cable network, with intentions to launch an in-home cable tv pay-per-view service. Its partners are Time Inc., Home Box Office parent, and Paramount Pictures, the Gulf & Western subsidiary.

MCA distributes home video software through MCA Videocassette. MCA and Walt Disney Productions are the plaintiffs in the landmark Sony Betamax case seeking copyright compensation for off-air tv videotaping.

In 1981, MCA entered a joint venture with a British entertainment conglomerate, MCA-Thorn EMI Programs International, to increase activity in the video market. The new entity produces and distributes video programing.

Separately, MCA is producing and distributing programing for the struggling optical—also called laser—format videodisc. NAP's Magnavox and Pioneer Electronics are also partnered in the Optical Programing Associates joint venture.

DiscoVision Associates, a joint venture of MCA and IBM that pressed optical format videodiscs, was sold in February, 1982, to Pioneer Electronic Corp. of Japan, folding what had been a major money loser. DVA retains its optical videodisc patent rights. Leber Katz Partners was the ad agency.

MCA's records and music publishing boosted operating profits 58% on revenues that were down 5% in 1981. This remarkable showing has been the talk of the depressed music business. Revenues were $175.2 million; profits amounted to $25.2 million, although measured media spending for MCA records and tapes were trimmed 57% in 1981, to a scant $127,200.

MCA Records repackaged old hits—its Platinum Plus line—thus wringing more life out of a product that already had been amortized. Innovative marketing of existing assets, plus a good showing with new products, let MCA music escape the general record industry downturn.

Platinum albums (1 million unit sales) in 1981 included Olivia Newton-John's "Physical," The Oak Ridge Boys' "Fancy Free," outgoing artist Steely Dan's "Gaucho" and Tom Petty and the Heartbreakers' "Hard Promises." Ten artists came up with gold albums (500,000 unit sales). In-house Lankershim Advertising handles.

Spencer Gifts, MCA's Atlantic City, N.J.-based retail and mail order division, posted revenues of $216.2 million in 1981, a 2% rise. Operating profits rose 56% from last year, to $13.7 million. Spencer Gifts claimed $6.9 million of MCA's ad budget this year, a decline of 40% from 1980's $11.5 million.

"A stringent corporate cost control program and increased profitability of catalog mailings" during the year brought sharply increased operating profits despite the general economic recession, an MCA spokesman said. Spencer Gifts operated 420 stores at the end of 1981.

MCA's other operations had revenues of $148.8 million, up from 11% from the year before. Other operations showed an operating profit of $4.1 million, off 3% from the year before.

MCA Publishing Group posted its highest revenues ever, despite a soft market. Putnam Publishing and BJ Publishing are the major units. In addition, MCA acquired Grosset & Dunlap Publishing from Filmways and Playboy's PEI Books.

MCA bought a 423-acre site near Disney World in Orlando, Fla., where it plans to build another studio tourist attraction at a cost of $170 million. Back at MCA's headquarters facility, an existing outdoor amphitheatre with 6,200 capacity has been enclosed for $20 million, permitting year-round live event and film production.

In June, 1981, Avco Embassy president Robert G. Rehme was named president of Universal Pictures new distribution and marketing division.

MCA founder Dr. Jules C. Stein, a medical doctor, who started the company as a big band booking agency in Chicago during the 1920s, died in May 1981.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$4,121,200	$7,090,000
Magazines	530,500	1,639,800
Spot tv	4,914,100	9,875,800
Network tv	17,942,900	15,976,800
Spot radio	6,446,800	4,899,600
Network radio	86,600	368,300
Outdoor	269,600	292,600
Total measured	34,311,700	40,142,900
Unmeasured	29,288,300	33,857,100
Estimated total	63,600,000	74,000,000

MCA INC.

Lew R. Wasserman, chairman/ceo
Sidney Jay Sheinberg, president, chief operating officer

UNIVERSAL PICTURES

MARKETING PERSONNEL

Robert Rehme, president, distribution & mktg div
David Weitzner, exec vp-adv, publicity, promo
Gordon Armstrong, vp-adv, publicity, promo
William Soady, vp-genl sales mgr

ADVERTISING AGENCY

Doyle Dane Bernbach/West—Simon Kornblit, senior vp-mgmt super; Jim Spero, senior vp-media director; Linda Rene, media planner; Sue Taylor, senior acct exec; Ann-Marie Whitman, assist acct exec.

MCA VIDEOCASSETTE

MARKETING PERSONNEL

Gene Giaquinto, president
Jerry Hartman, vp-mktg

ADVERTISING AGENCY

Cavalieri, Kleier, Pearlman, New York—Ian Kleier, vice-chairman-acct super; John Cavalieri, chairman-creative director; Michael Katz, media dir.

SPENCER GIFTS

Atlantic City, N.J.

MARKETING PERSONNEL

J. Eugene Brog, president
John L. Doyle, exec vp-director operations
George R. Zilling, vp-mktg, planning, rsch, devel

Mail Order Operations

S. Gary Stern, vp-merchandising
Allan Bilofsky, director, adv services
Dotti J. Watts, intl mktg admin

ADVERTISING AGENCY

Fairfax Inc., New York—James Fishel, acct exec; Jonathon Horn, media director.

MCA RECORDS

MARKETING PERSONNEL

Bob Siner, president
Sam Passamano Jr., adv director/merch
Vince Cosgrave, vp-mktg/product devel

ADVERTISING AGENCY

Lankershim Advertising (inhouse)—part of marketing dept.

MCA DISTRIBUTING

Al Bergamo, president

Mars Inc.

	1981	1980
Sales*	$1,350,000,000	$976,360,000
Advertising*	78,400,000	83,729,375

*AA estimates

Mars Inc., the nation's 69th largest advertiser, emerged as the big winner in the candy bar wars of 1981 and trimmed its candy advertising enough to produce the first companywide decline in ad spending in four years—off 6.4% to an estimated $78.4 million. Ad spending boosts at the company's rice and pet food units, Uncle Ben's Foods and Kal Kan Foods, kept the decline from being even sharper.

U.S. sales, fattened on the candy boom, were up an estimated 38% to $1.35 billion last year. The company's extensive international operations put Mars brands at or near the top of the heap in Europe and elsewhere, with worldwide sales estimates for 1981 starting at a conservative $3 billion on up to double that amount.

Most of what's known of Mars' successes in the U.S. comes from grocery intelligence services and competitors who, of necessity, are students of its marketing moves. Mars itself, believed by observers to be this country's biggest privately held company, does not divulge its financial and advertising data and rarely boasts about its triumphs in public.

Available measured media estimates for Mars candy and snack advertising put the total for 1981 at $43 million, off 15.3% from the previous year. An M&M/Mars exec declined to discuss the figures, but a trade source suggested the company may have trimmed the ad budget to improve what he believed were anemic candy profit margins. M&M/Mars had raised wholesale prices last September, the source noted.

Meanwhile, however, measured media spending on the Kal Kan pet foods was up 26.6% to $14.8 million. An even bigger jump—56.5%—was reported in spending at Uncle Ben's Foods, where the estimate reached $7.2 million for 1981. Another big hike in ad spending at Uncle Ben's is apparently in the cards for this year.

The big story in 1981 for Mars, however, was candy. Easing prices for cocoa and sugar, key raw materials for chocolate candy bars, and rising chocolate consumption—to an estimated 9.3 lbs. per capita last year compared to 8.3 lbs. in 1979—set the stage for Mars in late 1980 to expand the size of its bars while holding its wholesale cost level.

By spring, 1981, unusually candid Mars execs were explaining their pricing tactics as a bold bid to expand volume even at the cost of slimmer profit margins. In February, about three months after expanding its bar size, Mars reported 30% jumps in sales volume for key brands like Milky Way, Snickers and Three Musketeers and 60% for its Mars bar. Even with the price hike that Mars put through in September, 1981, trade sources are saying that Mars may have taken in a 45% share of the approximately $2.1 billion in chocolate bars sold in the U.S. last year. If true, that would be a giant expansion from the roughly 33% share credited to Mars in 1980. Hershey, Peter Paul, Cadbury and Nabsico Brands are said to have lost share in the face of the Mars onslaught.

AA estimates U.S. candy and snack revenue for Mars reached about $950 million in 1981, although some estimates by trade observers put the U.S. total as high as $1.2 billion.

Not every Mars brand is a smash success, of course. Mars' Marathon candy bars, like Forever Yours bars earlier, were pulled from the market this April. But Mars execs and trade sources think they have two new product winners in M&M's Royals mint chocolates, a mint flavored M&M-type candy, and in Combos, a brand that is expected to broaden Mars' reach from confections into nonsweet snack food marketing.

Combos is a cheese filled crispy pretzel nugget, offered in nacho, cheddar and pizza flavors and available in regional markets in 1.5-oz. and 7-oz. packages. A three-pound package is being tested. It is the sole product currently being marketed by Mars' Snack-Master division, which had previously handled some of Mars candy brands.

At least one admiring trade observer said he believed Combos is selling at the national equivalent of $200 million a year in its regional markets. A Mars exec said that estimate is overblown, but that the product is doing "very well."

U.S. pet food shipments may have passed the $4 billion mark (wholesale) last year, perhaps reaching $4.1 billion, a $300 million increase over 1980, according to government economists who follow the industry. Despite major successes in European pet food markets, Mars is not a giant in the U.S. marketplace.

But it is trying not to fall farther behind. Its traditional strength has been in canned dog and cat foods, where analyst John Maxwell ranks Kal Kan canned dog food the No. 2 brand, Kal Kan canned cat food No. 3 and MPS Chunks canned dog food No. 13. Thorofed, another Kal Kan canned dog food product, has virtually disappeared from the market.

Kal Kan has been following the trend toward dry pet foods with two products, Mealtime dry dog food, now national and ranked seventh by Mr. Maxwell, and Crave dry cat food, which is going national this year. Ad support for Crave in new markets has been promised at a national rate of $20 million. Mr. Maxwell ranked Crave No. 8, well down the national list, at the end of last year, when it was still available only in selected western markets. AA estimates Kal Kan sales reached about $250 million (wholesale) in 1981.

Rice shipments in the U.S. are believed to have neared $1.9 billion last year, but 60% to 70% of the total in recent years has been going to export markets. Uncle Ben's converted brand rice is generally recognized as the No. 1-selling brand, although Colgate-Palmolive, with its Riviana brand, markets a number of different rice brands and is believed to be the market share leader.

Uncle Ben's Foods sharply expanded ad support for Uncle Ben's converted brand rice last year, and is believed to be spending even more aggressively this year. The company also offers a full line of speciality and flavored rices and Stuff-n' Such stuffing mixes. Two efforts to tap the frozen food market—SunCrisps, a frozen french fry made from rice, and Uncle Ben's Heat-'n Serve Rice—remain in test markets. New in test markets in 1981 was Uncle Ben's original brand rice.

Estimated measured media spending for major Mars brands last year was:

- Candy and snacks—M&M's, $5.6 million, off 46%; Mars bars, $5.3 million, up 114%; Milky Way, $4.5 million, off 41%; Snickers, $7.7 million, off 24%; Starburst, $2.4 million, off 49%; Summit, $3.7 million, off 40%; Three Musketeers, $4.6 million, up 31%; and Twix, $5.7 million, off 25%. Mars placed an estimated $560,000 in measured media behind Combos last year and $327,000 behind Royals mint chocolates. Support for Skittles fruit chews last year is estimated to be $248,000.
- Pet foods—Kal Kan canned dog food, $4 million, up 22%; Kal Kan canned cat food, $4.5 million, unchanged; Crave dry cat food, $1 million, up 18%; Mealtime dry dog food, $4.4 million, up 63%; and MPS chunks canned dog food, $423,000, comparison not available.
- Rice products—Uncle Ben's converted brand rice, $6.5 million, up 72%. Estimated measured media support for smaller brands was $148,000 for Heat-'n Serve frozen rice dishes, $187,000 for Uncle Ben's great recipe side dishes, and $247,000 for SunCrisps frozen french fries.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$914,300	$2,781,000
Magazines	1,462,100	308,000
Spot tv	32,217,700	29,545,200
Network tv	31,180,600	36,689,000
Spot radio	96,200	757,300
Network radio	—	206,800
Outdoor	5,900	3,000
Total measured	65,876,800	70,290,500
Unmeasured	12,523,200	13,438,875
Estimated total	78,400,000	83,729,375

MARS INC.

McLean, Va.

Forrest E. Mars Jr. and John F. Mars, co-presidents

MARKETING PERSONNEL

M&M/Mars
Hackettstown, N.J.

Howard L. Walker, president

M&M/Mars Direct Division
Hackettstown, N.J.

Alun Jones, senior vp-mktg

M&M/Mars Broker Division
Waco, Tex.

Ove Sorensen, vp

Snack-Master
Albany, Ga.

Sam Dewar, president
Trevor Hodgson, vp-sales and mktg

Uncle Ben's Foods
Houston

Thomas Armstrong, president
Rod Sands, mktg director

Uncle Ben's Frozen Foods
St. Charles, Ill.

Richard Guja, genl mgr

Kal Kan Foods
Vernon, Cal.

John H. Barrow, president
Ed Conn, vp-mktg and sales

ADVERTISING AGENCIES

D'Arcy-MacManus & Masius, New York—Milky Way, Twix, Summit, Skittles fruit chews, Munch, new prods—Charles McConnell, mgmt rep.

Ted Bates Advertising/New York—M&M's, Three Musketeers, Snickers, Starburst, Mars bars, Royals, Snack-Master's Combos—Larry Light, exec vp-client services. Kal Kan canned dog and cat foods, Mealtime dry dog food—Jerry Brady, mgmt rep.; Howard Sonner, acct super. St. Louis—Crave dry cat food, MPS Chunks canned dog food, Thorofed canned dog food—Jack Bruemmer, mgmt rep; Bob Faust, acct super.

J. Walter Thompson USA, Chicago—Uncle Ben's converted brand rice prods, SunCrisps frozen french fries, Heat- 'n Serve frozen rice prods—Brian Squires, mgmt rep; Marion Howington, group creative director.

Castor Spanish International, New York—Jack Aguirre, acct super, Uncle Ben's Converted brand rice prods.

Jeffrey Martin Inc.

	1981	1980
Sales	$75,000,000	$45,000,000
Advertising*	41,000,000	35,708,100

*AA estimate

Jeffrey Martin Inc., Union, N.J., the 97th leading national advertiser, increased advertising 8.7% to an estimated $41 million in 1981 from an estimated $35.7 million in 1980.

Sales for 1981 were estimated at $75 million, up about 60% from $45 million in 1980. Part of the company's sizable sales increase is attributable to the inclusion of volume generated by brands it acquired when it signed an agreement in mid-1981 with Purex Industries to manufacture and distribute Purex's health & beauty aids lines.

Products picked up from Purex include Bantron, a smoking deterrent, Ayds appetite suppressant candy, Pursettes tampons, Campana Italian Balm hand softening lotion, Bert's gelatin capsules, Doan's pills and rub for backaches and Cuticura soap.

Under Purex these brands were unadvertised in 1980 and had witnessed severe drops in market share. Ayds, for one, was said to have dropped to a 5% share of the total diet pill market, down from a one-time high of 66%.

After assuming manufacturing and distribution control over those brands in 1981, Martin moved at once to increase ad spending. Measured media support for Ayds climbed from $4.3 million in 1980 to $4.6 million for the last six months of 1981, while advertising behind Doan's increased from $1.3 million to $4.7 million. Both Bantron and Cuticura, which had been unadvertised, received approximately $166,100 and $1.3 million in measured media support, respectively, according to Leading National Advertisers.

While the increased spending on the former Purex brands helped boost the company's total ad spending in 1981, they are expected to continue to do so this year. Total company ad spending is forecasted at $65 million for 1982. Pursettes will receive $6 million in support while Bantron will receive $12 million. The brands have also given Martin a greater European presence because of Purex's base there with the distribution of Ayds and Cuticura soap. This year, Martin's Topol smoker's tooth polish and Porcelana fade cream will be marketed in England, with Topol venturing into Italy and France as well.

In the meantime, Martin has continued to aggressively back its own brands. Topol, with estimated sales of $30 million-plus and a 4% share of grocery store sales, received $14.5 million in measured media spending during 1981, up from $13 million in 1980. Porcelana's measured media spending dropped from $14.7 million in 1980 to $8 million in 1981. However, this could be partly attributable to some changes in the robustness of the category as well as the company's plans to expand the fade cream to include a sun-care version in 1982. Porcelana still retains a 55% share of drugstore fade cream sales, but the category itself is down in volume from two years ago.

This year, Jeffrey Martin signed on with the Computer Assisted Marketing Research Analysis service of Sound Marketing Inc., Greenwich, Conn., which provides advertising and sales reports with advertising-to-sales ratios, moving averages, analysis of brand development index, advertising penetration index and cost-per-gross rating point comparison.

Advertising continues to be handled in-house, but the company has been looking for an outside agency to share responsibility for its brands. Martin continues to buy its broadcast time on an opportunistic basis. The company has increased both its use of radio and tv during the last year as well as magazine support.

In the first half of this year, Jeffrey Martin was identified as one of the suitors of Nabisco's J.B. Williams division. Whether or not that acquisition comes to pass, the company is projecting the year's sales at over $100 million.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$82,300	$142,900
Magazines	2,001,700	236,900
Spot tv	9,089,500	11,404,800
Network tv	14,613,800	14,187,500
Network radio	8,459,500	7,436,000
Total measured	34,246,800	33,408,100
Unmeasured	6,753,200	2,300,000
Estimated total	41,000,000	35,708,100

MARKETING PERSONNEL

Martin Himmel, president
Robert Varian, vp-mktg & adv
John Sullivan, mktg director
Patrick Dwyer, mktg director
Richard Feldheim, media director
Alfred Socolow, exec producer
Don Martin, producer
Lisa Wagner, asst media director

ADVERTISING AGENCY

Dunnan & Jeffrey, Union, N.J. (in-house)—Robert Varian, vp.

Mattel Inc.

	1981	1980
Sales*	$1,134,252,000	$915,690,000
Earnings*	39,102,000	7,898,000
Advertising**	110,600,000	87,100,000

*Fiscal year ends Jan. 30.
**AA estimate

Mattel Inc., Hawthorne, Cal., boosted advertising and promotion spending 27% in 1981 to an estimated $110.6 million, making it the 49th largest U.S. advertiser.

The sharp advertising increase is largely a result of Intellivision's programable videogame console. Sales soared to more than 1 million units, compared to 1980 sales of just over 200,000 console units. Intellivision has a 20% share in the domestic programable video game category, making it a distant second to Warner Communications' Atari subsidiary, whose market share is about 70%.

Sales of the videogame pushed over-all corporate revenues to $1.1 billion in 1981, a 24% increase over 1980. Corporate 1981 operating profits rose 111% to $148.0 million. Net profits were $39.1 million, skyrocketing 395% over 1980.

Toy and Hobby Products, Mattel's biggest unit, posted sales of $503.5 million, a 12.5 % increase from 1980. Mattel is the world's largest single toy maker with an estimated 10% share of the $4.2 billion U.S. toy/game market.

Mattel made 3 million large dolls in 1981; the Tippee Toes doll was the biggest seller in this category with more than 1.5 million units.

Ad spending for Mattel dolls and accessories increased 116% in 1981, up to $15.7 million from last year's $7.2 million. The Barbie dolls, which have sold 135 million since the 1959 debut, and the Hot Wheels miniature die-cast car line paced the entire segment to record operating profits of $65.5 million, up 58%.

See'n Say talking preschoolers' toys, Monchichi dolls and Children's Discovery programable kid computer are other significant Toy and Hobby Products lines. Mattel also includes in this unit plastic model kit sales from Monogram Models, Morton Grove, Ill.

According to the company, Mattel Electronics posted sales of $287.6 million, a 141% increase over 1980's $119.3 million.

Out of that, the 1 million console unit sales of Intellivision translated into estimated revenues of $200 million.

Mattel Electronics' operating profits were $73.1 million, a whopping 901% increase over 1980. Those profits are the reward from a successful gamble that Intellivision, starting late in 1979, could carve a niche in the home programable video game market pioneered by Atari. Stock analysts have predicted about 2.5 million console units will be sold by Mattel in 1982.

Advertising via Ogilvy & Mather, Los Angeles, rips Atari in competitive jabs using George Plimpton as presenter. The Plimpton-fronted ads contributed to the bulk of the 78% increase in measured network tv spending, which totaled $26 million in 1981. Total measured media spending for Intellivision was $9.08 million in 1981, compared to $427,600 in 1980, and an excess of $8 million was con-

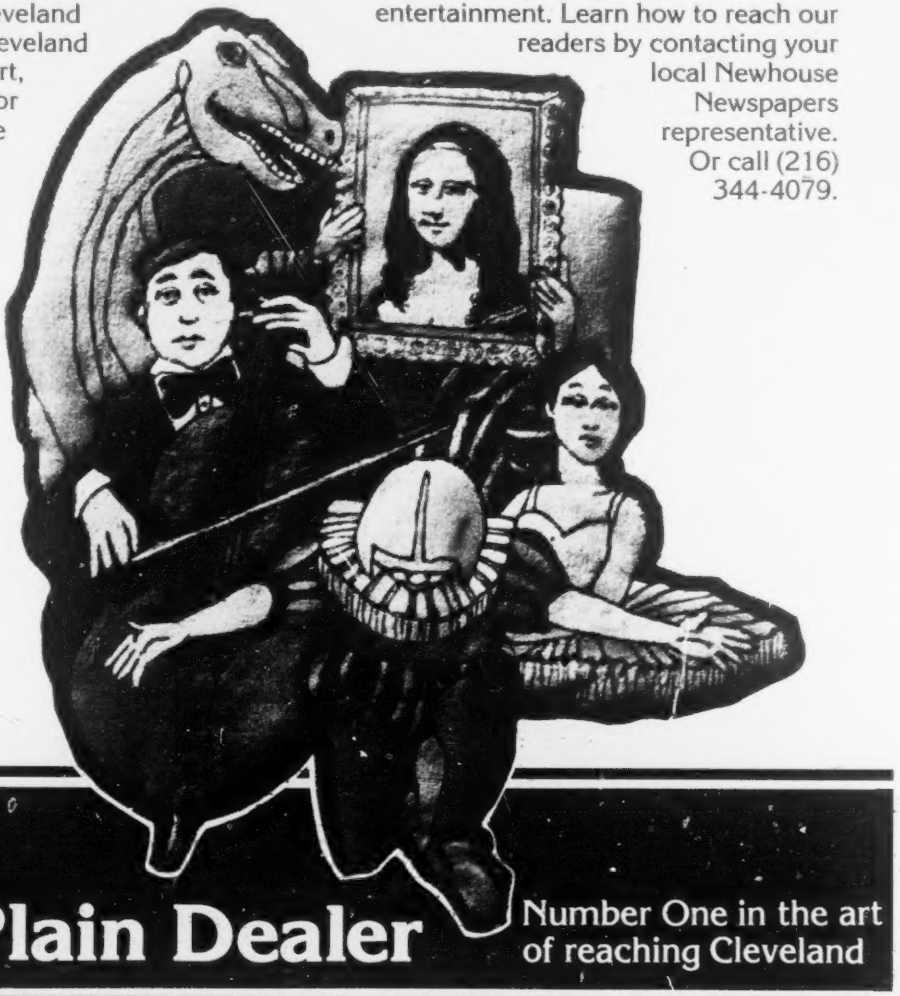
Which city has the largest concentration of cultural facilities in the nation?

( ) New York City
( ) Boston
( ) Los Angeles
( ) Cleveland

Refine your thinking. It's Cleveland. Where a lot of well bred people with a lot of bread support the arts.

This city is the home of the world-renowned Cleveland Orchestra, Cleveland Museum of Art, six other major museums, the Cleveland Clinic, Case Western Reserve University, and a long list of theatres and other cultural institutions.

Clevelanders have good taste in reading, too. They read The Plain Dealer for a complete guide to the arts and entertainment. Learn how to reach our readers by contacting your local Newhouse Newspapers representative. Or call (216) 344-4079.



The Plain Dealer

Number One in the art of reaching Cleveland

buys. Ed Libov Associates was assigned some media buying in 1981, previously handled by O&M.

Intellivision's $210 wholesale price is about twice Atari's wholesale unit cost. In late 1982, Atari will introduce a new generation programable videogame with improved features. The product will wholesale for $250 and stock analysts say it is aimed directly at Intellivision.

In game cartridge developments, Mattel said in 1982 that it will market game cartridges compatible with the Atari's first generation VCS format under the M Network trade name. Also, Mattel said in 1982 it has licensed unidentified coin-operated arcade videogames for Intellivision, which represents the first major challenge to Atari's dominant arcade game licensing for its home video game.

Other Mattel Electronics products include portable electronic games such as Dungeons & Dragons, Computer Chess and others. Mattel will market a game cartridge based on Walt Disney Productions' July-released "Tron." The cartridge will be available in September.

Mattel's electronic games accounted for only $2 million of 1981's ad spending, a 275% decrease from the previous year's $7.7 million.

In fall 1982, Mattel plans to introduce Intellivoice, an Intellivision peripheral that synthesizes human voices during game play.

A joint venture of Mattel and General Instruments, Play Cable offers Intellivision software delivered via cable tv lines for a monthly fee.

For several years Mattel has been test marketing the keyboard component of Intellivision which attaches to the existing game console. The keyboard component, designed as an easy-to-use home computer and marketed through major retailers, is a departure from the home computer industry's current reliance on specialty stores.

Western Publishing, Racine, Wis., showed poor results in 1981 as revenues advanced just 4% to $277.9 million while operating profits tumbled 46% to $10.5 million. Reduced collections from direct consumer sales were one negative factor. Ad spending was cut by 80%.

Acquired in June, 1979, Western Publishing markets books, games and puzzles under the Golden Book and Whitman trade names. Other products involve licenses with Walt Disney, Children's Television Workshop/Sesame Street, Warner Bros. and Walter Lantz Productions.

Mattel retrenched operations of its live-attraction Entertainment segment—which posted a $1.1 million operating loss in 1981 on revenues of $77.3 million.

"Each one of the operations which comprise this segment suffered a decline in attendance," said Mattel.

Ringling Bros. and Barnum & Bailey Combined Shows was sold to Mattel for $22.8 million in March, 1981. Ice Follies and Holiday on Ice Inc. operations were included in this sale.

Mattel Communications, a unit charged with developing high-technology products for consumer markets, began test marketing in mid-1982 an 11-product line of personal security products. Kenyon & Eckhardt's western division was named in February, 1982 to succeed Carlson, Liebowitz & Olshever, Los Angeles.

The product line, called People Protection Products, (PPP), uses Michael ("Hill Street Blues") Conrad as presenter in tv test ads. PPP products, which retail from $10 to $80, were test marketed in five cities.

In other corporate developments, a 1981 stockholders' suit that charged Mattel and some of its officers with fraud was settled out of court at a cost of $2.9 million in February, 1981. Mattel also sustained expenses in connection with the December, 1980, bankruptcy of two buyers of Metaframe Corp., once part of Mattel.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$2,306,700	$1,252,000
Magazines	4,128,200	2,091,300
Spot tv	16,065,900	15,510,900
Network tv	25,960,200	14,556,600
Spot radio	—	11,900
Outdoor	196,900	141,200
Total measured	48,677,900	33,563,900
Unmeasured	61,922,100	53,536,100
Estimated total	110,600,000	87,100,000

MATTEL TOYS

MARKETING PERSONNEL

Raymond P. Wagner, president
Glenn A. Hastings, president, Mattel Toys U.S.A.
John W. Amerman, president, Mattel Toys International
Thomas Kalinske, senior vp-mktg
Loren Hildebrand, senior vp-sales

MATTEL ELECTRONICS

MARKETING PERSONNEL

Joshua Denham, president
Peter Pirner, senior vp-mktg

ADVERTISING AGENCIES

Ogilvy & Mather, Los Angeles—Gerard Smith, senior vp-managing director; John Carter, senior vp-exec creative director; Jim Surmanek, senior vp-exec media director; Steve Blinn, vp-mgmt super; Tim Elliott, vp-mgmt super; Jill Himonas, vp-mgmt super; Richard Kelley, vp-creative director; Christina Stevens, vp-creative director; Paul Walter, vp-creative director; Ron Reilly, senior vp-media director.

Ed Libov Associates, Los Angeles—Thomas Maney, exec vp-genl mgr; Michael Cox, vp-director planning; Ave Butensky, chief operating officer (New York); Dan Chepley, senior vp (New York); Marty Schmidt, senior vp-director planning & rsch (New York).

WESTERN PUBLISHING CO.

Racine, Wis.

MARKETING PERSONNEL

Joseph Marino, chairman & president
Gerald Saltzgaber, senior vp-consumer prods

ADVERTISING AGENCY

MCA Advertising, New York—Warren Dechter, exec vp; William Spencer, vp; Dawn Sibley, senior vp-media director; Bernard Most, creative director; Walter Cohen, creative director.

PPP INC.

MARKETING PERSONNEL

Donald D. Sawyer, president
Robert Boole, exec vp

ADVERTISING AGENCY

Kenyon & Eckhardt western division, Los Angeles—Robert Wolf, senior vp-genl mgr; John Adams, senior vp-mgmt super; Doug Howatt, acct exec; John LaPick, senior vp-creative director; Lee Wilson, media super; Peter Kay, media planner; Kaye Bentley, media buyer.

McDonald's Corp.

	1981	1980
Sales	$7,129,000,000	$6,226,000,000
Earnings	264,834,000	220,893,000
Advertising*	230,248,200	206,962,100

*AA estimate

McDonald's Corp., Oak Brook, Ill., the nation's 15th largest advertiser, increased its domestic advertising and promotional spending by 11% this year, to an estimated total of $230.2 million. In its financial data, the company placed 1981 worldwide advertising and promotion expenditures at $322 million, a 14% increase over the $282 million reported in 1980.

McDonald's 1981 systemwide sales reached $7.13 billion, up 15% over the 1980 total of $6.23 billion. Net income was $264.8 million, a 20% increase from the 1980 total of $221 million. Sales in McDonald's restaurants outside the U. S. were $1.359 billion, a 15% increase over the 1980 figure, despite adverse foreign currency translation due to the strengthening dollar.

The company added 476 restaurants in 1981, bringing the worldwide total at yearend to 6,739. Of that number, 5,554 are located in the U.S. The remaining 1,185 restaurants are in 29 countries and territories.

McDonald's was among the top advertising news makers of 1981. The company stunned the advertising world in October with the announcement that it would move its $75 million national account to Leo Burnett USA from Needham, Harper & Steers.

The 11-year relationship between McDonald's and NH&S had brought business and advertising success to both client and agency: The chain experienced its greatest growth during the 1970s, and Needham received numerous awards over the years for its McDonald's work.

In making the change, McDonald's exec vp-chief marketing officer, Paul Schrage, cited the Burnett agency's "depth and track record to further strengthen our marketing and industry leadership" as the reason for the move.

Burnett's top management had wooed McDonald's execs for years and its persistence and work on the Holland, Belgium and French businesses, which the agency picked up in 1980, apparently impressed the chain's management. The decision to move the account, however, created an uproar in advertising and marketing circles, stirring up the issue of client/agency loyalty. Burnett officially took over the account in January, 1982.

In August, 1981, McDonald's returned to the "You deserve a break today" theme in NH&S-created advertising. The initial ads from Burnett during the first few months of 1982 carried out the plans NH&S had laid for the chain. Burnett picked up on both the "break" theme and the tone of the chain's earlier advertising in the first major pool of spots launched in the spring of 1982. The commercials emphasized people and situations which are typical of contemporary life styles—hallmarks of McDonald's ad style.

Meanwhile, the company faced a fierce market share battle in the fast-food restaurant industry, with a barrage of national promotions, new products and increased ad spending. At a November, 1981, securities analysts meeting, McDonald's execs said the company's domestic market share was 18.6%, compared with 18% in 1980.

New products figured prominently in McDonald's marketing strategy during the year and into 1982. The McChicken sandwich was rolled out to about 4,200 stores by yearend, but the company still classified the sandwich as a test product. The product met with mixed consumer response and other chains introduced chicken breast sandwiches, making comparisons with McDonald's processed and formed McChicken. In November, McDonald's said it would "refine and improve" the product. The chain pulled its Chopped Beefsteak sandwich, testing in 2,000 stores, on Nov. 1, after the sandwich failed to garner lasting customer support. It was first introduced in 1978.

Chicken McNuggets, boneless fried chicken pieces with side sauces, continued to roll out in 1981, and by yearend were in about 2,200 restaurants. Expansion proceeded in the first half of 1982 to several major markets, including Seattle, Milwaukee and Indianapolis. Sausage and ham biscuits, in Southeast tests, moved into more than 1,100 stores in the southern region.

McRib, a boneless pork sandwich topped with pickles, onions and barbecue sauce, first launched in June, 1981, has expanded more rapidly than any product in McDonald's history. By June, 1982, McRib had been moved into about 2,500 stores, adding a new dimension to the chain's menu, once dominated by beef products.

In addition to new products, a score of national promotions peppered the McDonald's marketing arsenal. The company attributed record sales in the first half of 1981 to the "Build A Big Mac" collector-card game. It then gave customers a chance to collect Muppet-themed glasses during the summer as part of a tie-in with "The Great Muppet Caper" movie. In late fall and early winter, McDonald's offered the "Menu Music Chant" game. Another collector-card promotion, "Quality in the Bag," was launched in the spring of 1982.

Despite some industrywide criticism of the promotions as a form of discounting, it appeared as if McDonald's would continue the gamesmanship. A summer 1982, promotion featuring a videogame theme was planned, along with two children's "Happy Meal" promotions.

McDonald's tried various in-store experiments on a trial basis in 1981. The company constructed "Dessert Centers," walkup areas in the front of the restaurants where soft drinks, shakes and desserts are served, in several test units. A limited test of 24-hour service was started, but execs told securities analysts they were skeptical about any widescale implementation of the around-the-clock service. McDonald's continued to test the Mini-Mac concept, a smaller restaurant that caters only to drive-through or pedestrian traffic.

The percentage of freestanding restaurants with drive-throughs increased from 71% to 79%. During the year, McDonald's expanded the McDonald's Playland facilities, bringing the total at yearend to 979, compared to 581 at the close of 1980. Built adjacent to restaurants or integrated into the interior design of the dining area, McDonald's Playland features a McDonaldland theme and the chain's children's characters. The chain plans to expand the Playland concept, adding 1,000 more play areas. A test concept, children's miniature golf on the restaurant grounds, was tried in single units in Dallas, San Diego and an unidentified New York site.

International expansion is a key priority for the chain, and as the year went on, McDonald's opened its first units in Spain, Denmark and the Philippines. McDonald's said it planned to enter Mexico, Venezuela, Colombia and Norway within the next two years.

In June, 1982, the company's board of directors named Edward Schmitt, president-chief administrative officer, to the post of vice-chairman and chief administrative officer. Michael Quinlan, president, McDonald's U.S.A., was appointed president-chief operating officer of the company, while maintaining his former domestic duties. Edward Rensi, executive vp-chief operations officer, was elected senior executive vp and appointed to the board of directors.

During 1981, McDonald's made several other executive appointments. William Youngclaus, formerly senior vp-director of client services, Young & Rubicam, Chicago, joined the company as vp-marketing. He succeeded Raymond Caruso, who assumed the position of vp-communications. Mr. Caruso headed a new company department encompassing corporate communications, public relations, public affairs, creative services and the company's cross-departmental Total Marketing Approach (TMA) task force.

For the three years preceding the 1984 Olympic Games, McDonald's, which has the exclusive fast-food restaurant rights to the event, will sponsor "age group" and Junior Olympic swim meets. In addition to supporting pre-Olympics events, McDonald's sponsorship plans include underwriting costs associated with the McDonald's Olympic Swim Stadium on the University of Southern California campus in Los Angeles. The company is expected to be a major advertiser during the games' broadcasts.

ADVERTISING EXPENDITURES

	1981	1980
Magazine	$175,900	$2,377,900
Spot tv	75,272,400	70,715,700
Network tv	54,129,700	53,588,300
Spot radio	1,632,000	953,200
Network radio	3,255,400	41,900
Outdoor	3,682,800	3,185,100
Total measured	138,148,200	130,862,100
Unmeasured	92,100,000	76,100,000
Estimated total	230,248,200	206,962,100

MARKETING PERSONNEL

Paul D. Schrage, exec vp-chief mktg officer
William P. Youngclaus, vp-mktg
Raymond S. Caruso, vp-communications
Roy T. Bergold Jr., asst vp-director
Richard G. Starmann, asst vp-corporate

communications
Stanley Nicpon, asst vp-director, field mktg
Tom Gruber, vp-intl mktg
Ron Miessler, asst vp-director, creative services
David B. Green, asst vp-director, natl mktg
Michael Donahue, director, promotional development
Robert Lins, creative director
Dick Johnson, director, business analysis
Don Lorr, director, mktg intelligence
Jim Rand, director, mktg development
Emil Teri, director, field mktg

ADVERTISING AGENCIES

Leo Burnett USA, Chicago—John Miller, vp-acct dir, client service; Mike Allen, acct super, field mktg; Bob Heller, acct super, adults; Bob Hunderfund, acct super, youth; John Maruskin, acct super, new products/special projects; Ed Sessions, intl acct director, intl client service.

Burrell Advertising, Chicago—black consumer mktg.

Conill Advertising, New York—Spanish consumer mktg.

Frankel & Co., Chicago—sales promo.

Bactine antiseptic anesthetic cut its measured media support by 11%, down to $1.2 million from $1.3 million. In 1981, Miles introduced Bactine hydrocortisone skin cream in a network tv and couponing program. An estimated $1 million was spent on advertising the new product in the last few months of 1981.

In the $1.7 billion vitamin market, the company expanded the One-A-Day multivitamin line and introduced One-A-Day Stressgard, a stress formula vitamin and mineral combination. At the same time, One-A-Day Plus Minerals was reformulated to contain 12 vitamins and 12 minerals. One-A-Day products reportedly hold at least 32% of the vitamin market.

In addition, all five products, including One-A-Day Essential, One-A-Day Plus Iron and One-A-Day Plus Extra C, revamped their packaging to convey an entire One-A-Day line look.

A new advertising campaign was developed using the theme, "Putting nutrition to work for your body." The campaign received $6.3 million of measured media support, a decrease of 15% from last year's $7.4 million, and in 1982, the company launched a network tv and consumer magazine campaign. Miles plans to spend $10 million promoting the vitamins in 1982.

The grocery division encompasses S.O.S cleaning products and the Morningstar Farms and Worthington Foods lines of textured vegetable protein foods.

S.O.S soap pads continued to dominate the scouring tool market in the U.S. and Canada, reportedly holding a 35% share. S.O. Ezy, a two-sided scrubber with soap introduced in the fall of 1980, has established itself as a major entry in the medium-to-light cleaning category. Combined promotion budget for the products totaled $4 million in 1981.

Nonconsumer marketed products include prescription pharmaceuticals, dermatologicals, medical instruments and diagnostics, laboratory supplies, enzymes, food ingredients and industrial chemicals.

A substantial sales increase over 1980 was achieved by Miles Pharmaceuticals. Highlighting this successful year of expansion was the Food & Drug Administration approval of Mezlin (mezlocillin sodium), the first of a new generation of broad-spectrum semisynthetic penicillins used intravenously or intramuscularly, injectable in lower respiratory tract, urinary tract, skin and intra-abdominal infections.

The professional products group is composed of the Ames division, Lab-Tek division and the research products division. The Ames division, which introduced the Ames Dextro System in 1980 for insulin-dependent diabetics to self-monitor blood glucose levels, recorded excellent results last year. It was upgraded by the Glucometer Reflectance Photometer, a portable electronic instrument less expensive to purchase and easier to calibrate than the Dextro-

Miles Laboratories

	1981	1980
Sales	$767,606,000	$686,117,000
Earnings	1,465,000	7,433,000
Advertising*	72,084,700	72,987,900

*AA estimate

Miles Laboratories, Elkhart, Ind., the 73rd largest advertiser, spent approximately $72 million on advertising in 1981, down 1.2% from 1980's total of $72.9 million.

Sales rose by 12% over 1980 to $768 million. Earnings decreased to $1.5 million, because of high interest charges and foreign currency fluctuations.

In 1981, Miles spent $53 million on research and development worldwide, an 18% increase over 1980.

Measured media spending decreased 2% over-all in 1981, down to $43.7 million from $44.6. Although Miles increased its spending in spot tv by 2%, up to $5.7 million from 1980's $5.5 million and magazines, spending in all other categories measured by Leading National Advertisers was down. Newspaper spending fell to $14,600 from last year's $31,400, and in spot radio, Miles cut its budget to $51,100 from $178,400 in 1980. Network radio was cut to $444,600 from last year's $528,300. Magazine spending rose 50% to $3 million.

The company markets its products through four operating units: Miles Pharmaceuticals, Miles consumer products group, Miles professional products group, Miles biotechnology group

The consumer products group is composed of the consumer healthcare and the grocery products divisions. Miles markets children's and adult's vitamins under the brand names One-A-Day, Flintstones and Bugs Bunny and home remedies under the names Alka-Seltzer, Alka-Seltzer Plus, Alka-2, Bactine and Miles Nervine.

The Alka-Seltzer product line increased its measured ad support by 8% this year, up to $21.1 million in 1981 from $19.5 million in 1980. Alka-Seltzer Plus Cold Medicine received $4.95 million in media support in 1981, adding to its share in the highly competitive cold remedy market. In January, Miles hired Conill Advertising, New York, to handle Alka-Seltzer's Hispanic advertising.

The 1981 Ad Dollar Summary

Year-End Issue Only $100.00

- The only complete listing of all brands active in six major media: consumer magazines, national newspaper supplements, network and spot television, network radio, outdoor.
- Expenditures for more than 28,000 brands—listed in alphabetical order with parent company identification and media used.

PLUS

- The top 1000 companies with Ad Dollars listed by media.
- The top 10 brands in each of 243 product categories with category total.

A complete summary of Ad Dollars from the PIB Service, BAR Broadcast Services, LNA Outdoor. The official industry figures prepared for MPA, TVB, RAB, OAAA used by every major advertiser and their advertising agencies.

Know thy Competition

1981—BIGGER THAN EVER

LNA
Leading National Advertisers, Inc.

To: LNA
Subscription Dept.
P.O. Box 525
Norwalk, Conn. 06856

Yes, I want to know what my competition is doing.
☐ Send me________1981 AD $ SUMMARY Year-End Report @$100.00
☐ Send me________1982 AD $ SUMMARY Quarterly Service @160.00 per year
☐ Enclosed check, m.o. ☐ Bill me
☐ Send further information
Write/Call LNA—515 Madison Ave.—NYC 10022 (212) 888-1940

Signed
Name & Title
Company
Street & No.
City State Zip

meter.

The Lab-Tek division introduced two new products. They were a large 650ml flask that is specially treated to assure optimal cell yield in tissue culture growth and the Lux brand Select-A-Multi-well Plate for micro-inoculation.

In research products, the Monoform monoclonal antibodies line, first introduced in 1981, was expanded to make additional products available to the research community worldwide.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$14,600	$31,400
Magazines	3,030,400	$2,010,000
Spot tv	5,655,800	5,529,100
Network tv	34,491,200	35,839,300
Spot radio	51,100	178,400
Network radio	444,600	528,300
Total measured	43,687,700	44,116,500
Unmeasured	28,397,000	28,871,400
Estimated total	72,084,700	72,987,900

CONSUMER PRODUCTS GROUP

MARKETING PERSONNEL

G.E. Davy, corp exec vp

CONSUMER HEALTH CARE DIVISION

MARKETING PERSONNEL

S.M. Reim, vp-mktg, U.S. nutritional and medicinal prods
M.B. Streicker, vp-mktg services
R.L. Novak, natl sales mgr
M.F. Neidorff, vp-intl mktg

ADVERTISING AGENCIES

Wells, Rich, Greene, New York—Alka-Seltzer, Alka-Seltzer Plus, Alka-2, new prods—Walter Holden, senior vp-group head

J. Walter Thompson USA, New York—One-A-Day vitamin prods—Garth Hallberg, senior vp-group acct director.

Tatham-Laird & Kudner, Chicago—Bactine, Nervine, Bugs Bunny, Flintstones vitamins, new prods—Timothy Collins, senior partner.

Clifford A. Botway Inc., New York—network tv and radio buying—Clifford A. Botway, chairman; Edward Kobza, president.

Boger, Martin, Fairchild & Co., Elkart, Ind.—overseas military and trade adv.

Sieber & McIntyre, Chicago—medical/professional adv.

Conill Advertising Associates, New York—Hispanic adv.

GROCERY PRODUCTS DIVISION

MARKETING PERSONNEL

J.W. Grant, president
H.G. Fitts, vp-household prods operations
F.E. Gustafson, vp-mktg food prods
R.R. Rowe, natl sales mgr

WORTHINGTON FOODS

MARKETING PERSONNEL

A.R. Buller, exec vp
T.J. Kimbrow, natl sales mgr
F.D. Poston, mgr prod mktg

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—S.O.S and S.O. Ezy soap pads, new prods—A. Kopelman, group senior vp; R. Luik, mgmt super; I. Grindlinger, acct super.

Tatham-Laird & Kudner, Chicago—Morningstar Farms prods—N.O. O'Meara, mgmt super.

Hammeroff/Milenthal, Columbus, O.—Worthington Foods prods—Sharon Wilkin, senior vp-acct exec.

BIOTECHNOLOGY GROUP

MARKETING PERSONNEL

R.B. Kocher, corp senior vp
D.J. Spence, vp-planning, new ventures
A.C. Lauria, mgr-mktg services
M.E. Freed, super-adv/pr

CITRO-TECH PRODUCTS

MARKETING PERSONNEL

R.J. McGrath, president
H.C. Stalter, vp, mktg
F.V. Coglianese director of industrial mktg
G.T. Blair, natl sales mgr, industrial mktg
J.C. Bakos, director, intl

ENZYME PRODUCTS

MARKETING PERSONNEL

N.W. Meyer, president
A.A. Blaze, mktg director
W.G. Allen, genl sales mgr
N.D. Hupp, director of intl mktg, enzymes
R.M. Halcrow, director of Siebel operations (brewing ingredients)

MARSCHALL PRODUCTS

MARKETING PERSONNEL

V.W. Christensen, president
V.G. Rowley, vp mktg-dairy ingredients
K.J. Woldt, sales mgr
R.A. West, new prod devel
D.G. Whitehead, mgr-intl mktg

ADVERTISING AGENCIES

Stephen & Brady, Madison, Wis.—Hugh Brady, president; Greg Brady, vp-acct super; Pamela Hickey, acct super; Matt Joyce, acct exec.

Ash Advertising, Elkhart, Ind.—citric/industrial—J.B. Ash, president.

Juhl Advertising Agency, Elkhart, Ind.—citric/food ingredients—Bruce Cashbaugh, acct exec.

PROFESSIONAL PRODUCTS GROUP

MARKETING PERSONNEL

J.H. Rosloff, corp senior vp

AMES DIVISION

MARKETING PERSONNEL

R.D. Falb, president
J.W. Duncan, exec vp-mktg and business unit mgmt
J.A. Best, director of business unit home healthcare
J.T. Mulgrew, director of business unit chemistry systems
H.L. Drye, director of business unit diabetes systems
T.C. Collatz, director of business unit urine systems
R.H.J. Wakeling, director of intl mktg
P.E. Doherty, director of mktg services, U.S.
J.J. Lavery, director of sales, U.S.
E.E. Thomson, mgr of professional relations
M.M. Walters, mgr of diabetes adv
J.G. Voyta, super of urine adv
J.G. Emgenbroich, super of chemistry adv

ADVERTISING AGENCY

Lavey/Wolff/Swift, New York—Ron Furedi, senior vp and acct super, Mike Shavel, acct exec.

Deltakos, New York—new diabetes prods—West Hostetler, senior vp and acct super

LAB-TEK DIVISION

MARKETING PERSONNEL

V. Esposito, president
R.F. Meyers, vp-intl operations
J.L. Ogle, director of U.S. mktg
J.W. Williams, director of U.S. sales
S. Johnson, super of mktg services

ADVERTISING AGENCY

Arnold, Hoff & Associates, Chicago—Noble Arnold, president-acct super.

RESEARCH PRODUCTS DIVISION

MARKETING PERSONNEL

D.A. Stauffer, president
J.V. Thomas, mktg director
L.R. Hubbard, mktg director, Western Hemisphere
P.D. Bromfield, mktg director, Eastern Hemisphere
H.M. Free, mktg services director

LIFE SCIENCE INSTRUMENTS

MARKETING PERSONNEL

A.H. Clemens, vp
J.M. Shade, systems mktg mgr, North America
P. Wasser, mktg director, intl

ADVERTISING AGENCY

Lavey/Wolff/Swift, New York—Ron Furedi, senior vp; Mark Dimor, acct exec.

MILES PHARMACEUTICALS

MARKETING PERSONNEL

R. Buell, president
R.L. Engle, director of sales
C.D. Webb, director of prod mgmt
R. Yvars, mktg services director
W.J. Isbell, mgr-mktg services

ADVERTISING AGENCY

Lavey/Wolff/Swift, New York—J. Noel, vp acct super.

Medicus, New York—J. Ibelli, acct super.

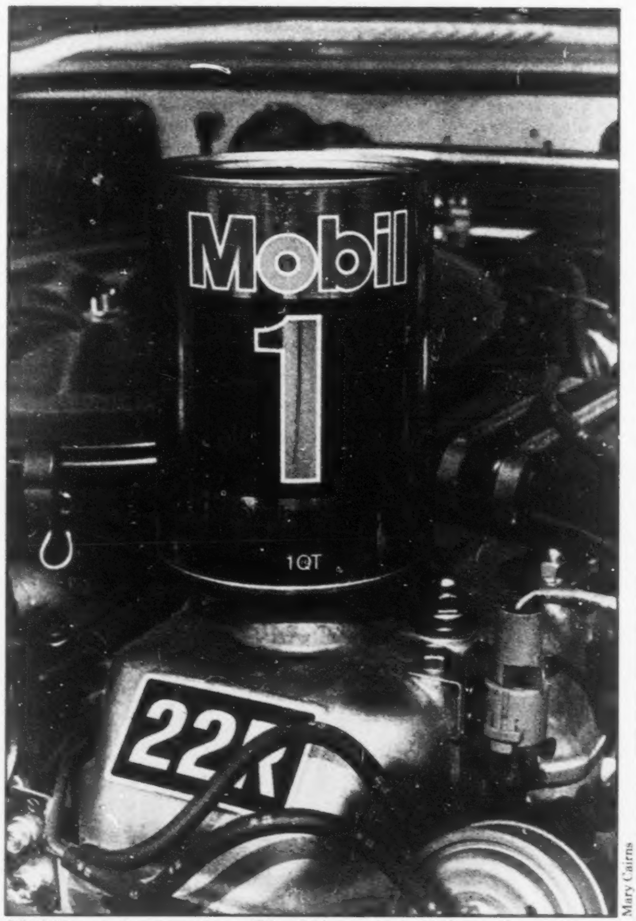
Mobil Corp.

	1981	1980
Sales	$68,587,000,000	$63,726,000,000
Earnings	2,433,000,000	2,813,000,000
Advertising*	293,103,200	274,316,700†

*AA estimate
†Restated

Mobil Corp., New York, the nation's 10th largest advertiser, increased its ad spending to $293.1 million in 1981, up 6.8% from $274.3 million in 1980.

The 1980 figure has been revised since last year's report to include newspaper preprint advertising, which is included in the 1981 total.



Mary Cairns

Mobil spent more than $7 million advertising oil products.

The quickly accelerating gains Mobil recorded on its balance sheets of the last several years slowed appreciably in 1981, as the corporation saw sales rise by 7.7% to $68.6 billion in 1981 from $63.7 billion in 1980. This compared with an increase of 32% in sales from 1979 to 1980 and a 29% jump from 1978 to 1979.

Even more notable was the dip in Mobil's earnings, which totaled $2.4 billion in 1981, a decrease of 14.3% from the record $2.8 billion of 1980. Again, this was a marked difference from the earnings gains of the immediately preceding years: Forty per cent from 1979 to 1980 and 77% from 1978 to 1979.

The company attributed the more modest figures to the worldwide economic slowdown, a reduced demand for energy and a global oil surplus, as well as lower foreign inventory profits and weaker foreign currencies. Despite the slowdown, the company noted, 1981 earnings were second best only to record earnings of 1980, and Mobil Corp. maintained its No. 2 standing in *Fortune's* list of the nation's 500 largest industrials, behind Exxon Corp. and ahead of General Motors Corp.

Reduced demand for energy and a surplus of oil would, of course, have a substantial effect on this primarily energy-related company's performance. Worldwide energy operations accounted for 84.5% of sales in 1981, with revenues of $58 billion, compared with $53.8 billion in 1980, or an increase of 7.8%. Earnings, however, decreased 10.3%, from $2.9 billion in 1980 to $2.6 billion in 1981. (Earnings from the energy operations are measured before corporate expenses and other items; hence, they are actually more than Mobil Corp.'s total earnings.)

The rise-in-sales, drop-in-earnings picture also affected Mobil's chemical operations, which saw revenues in 1981 of $2.4 billion, up 20% from $2 billion in 1980. Earnings at the same time dropped 21% to $93 million in 1981 from $119 million in 1980. Mobil attributed the decline to lower petrochemical and phosphorus earnings in the U.S. and lower petrochemical and plastics margins in Europe.

As adversely affected by economic conditions these two segments of Mobil's family may have been, retail operations—through the Montgomery Ward & Co. subsidiary—could not escape the severe financial trials and tribulations that started several years ago. Although revenues increased 3.4%, from $5.9 billion in 1980 to $6.1 billion in 1981, Wards reported a loss of $160 million. This compares with a loss of $162 million in 1980.

Mobil's paperboard operations, handled by its Container Corp. of America subsidiary, also recorded an earnings decline, from $65 million in 1980 to $50 million in 1981, a decrease of 23.1%. These figures came on revenues of $1.85 billion in 1981 and $1.74 billion in 1980, a 6.3% increase.

This over-all picture of a slowdown in growth was overshadowed during the last year by Mobil's participation in the merger and acquisition scramble that has underscored much of recent American business activity. Hardly a week went by in the second half of 1981 when Mobil, a corporation of high visibility even by the standards of big business, was not in the headlines of the business or consumer press.

In July, 1981, Mobil entered the celebrated bidding for Conoco, the nation's ninth largest oil company, with an ultimate offer of $120 a share, topping bids by E.I. du Pont de Nemours & Co. and Seagram Co. Ltd. But concern arose over antitrust considerations, as well as over Mobil's tactics, and the eventual winner in the battle turned out to be Du Pont, which acquired Conoco for a reported $7.8 billion, the most expensive takeover in American history.

Seemingly undaunted, Mobil later in the year made a $5.1 billion offer to acquire Marathon Oil Co., and the case turned out to be another in which the wooer was much more willing than the wooed. Marathon directors, vigorously opposed to the move, attempted to obtain a court injunction against Mobil, and eventually found a friendly suitor in U.S. Steel Corp., which offered $125 a share. The $6.4 billion purchase price, after much wrangling in the courts and among public relations campaigns, went to U.S. Steel, as the U.S. Supreme Court cleared the way for the steel giant early this year.

To many observers, who described Mobil variously as "combative" and "renegade," the hostile—and unsuccessful—takeover attempts cast the oil giant in a negative light. Mobil Corp. chairman Rawleigh Warner explained the proposed acquisitions as part of the company's long-term objective of obtaining crude oil reserves. But many attributed the failures of the takeover efforts to fears over antitrust considerations.

Meanwhile, even as Mobil failed to buy oil reserves through these two highly publicized battles, it managed to strike some success in its oil exploration attempts worldwide. The company reported that finding and developing new energy sources accounted for about 59% of capital expenditures in 1981.

During the year, Mobil made significant discoveries of hydrocarbons in the U.S., Nigeria, Cameroon and West Germany. It expanded its holdings in the Gulf of Mexico, spudded its first well off the coast of New England and continued to evaluate its natural gas strike in Mobile Bay, Ala.

At the end of the year, Mobil held 2.4 billion bbls. of crude oil and other liquid hydrocarbon reserves worldwide, an increase of more than 300 million bbls. since 1979. Natural gas reserves over the same period increased 20% to 17.4 trillion cu. ft. from 14.4 trillion cu. ft.

In the consumer arena, Mobil motor oils continued to receive a significant portion of Mobil Oil Co. advertising and marketing support. In all, Mobil spent more than $7.1 million in 1981 to advertise its various lines of oil, all of the spending going to spot tv. That compares with nearly $6.1 million the company spent on motor oil ad spending in 1980.

Most of the 1981 ad support—

$2.2 million—went toward Mobil 1, a synthetic fuel-efficient product, and Mobil Super, a gas-saving conventional oil introduced in 1981.

One notable change Mobil made during the year in its consumer marketing was to increase ad spending for Mobil gasoline. Whereas in 1980, the company spent only $10,000 in ad spending for gasoline, in 1981 it pumped $4.2 million, exclusively in spot tv—toward its primary consumer product. The significant increase in spending reflected a trend in the gasoline business toward a heavier emphasis on marketing and marketing concerns as gas prices edged downward in late 1981 and early 1982.

Worldwide, Mobil has 35,500 retail dealer outlets, 47% of them in the U.S., for its various lines of gasoline and petroleum products. In 1981, sales volume for these products declined from previous years, with automotive gasoline being sold at the rate of 710,000 bbls. a day, compared with 776,000 in 1980 and 796,000 in 1979.

One byproduct of the fluctuations of gasoline prices and concern over cost-cutting was an industry reassessment in early 1982 of credit card usage at retail outlets. Atlantic Richfield Co. in April coupled a move to stop accepting credit cards with a cut in wholesale gasoline prices of nearly 3 cents. For its part, Mobil began using a discount-for-cash approach to gas sales.

In the chemical end of Mobil's consumer business, Mobil Chemical Corp. introduced a "20% tougher" plastic waste bag under the Hefty brand family. In all, Mobil spent $12.2 million in 1981 to support its Hefty lines, which range from foam dinnerware to the various styles of plastic bags. The figure was up considerably from the $8.5 million Mobil spent in 1980.

Most of the support for the Hefty brand went to trash can liners and tall kitchen bags, which together received more than $11.1 million.

Meanwhile, Montgomery Ward & Co., Mobil's venture into retailing, continued to suffer losses on the balance sheets, as Wards' new management began to show signs of a new strategy to provide an uplift.

Much of the discussion about Wards centered on the plans being developed under the direction of Stephen L. Pistner, who came to Wards in early 1981 as president after a successful career at Dayton Hudson Corp. At Dayton Hudson, Mr. Pistner was credited with building up the company's successful Target discount store operation.

But at Wards, the challenges are proving to be tougher. With Mobil lending huge sums of money to help Wards back on its feet, the retailer has had to deal with building up a stronger identification for itself and an economy that has not been all that cooperative to sales.

Nevertheless, Mr. Pistner, who took over as chief executive officer in September (succeeding Edward S. Donnell), has streamlined management, brought in an army of new people and centralized many operations, including advertising.

The strategy that is emerging seems to hinge on Wards' ability to become less of a mass merchandiser and more of a retail operation with specialty areas throughout the store.

So far, this has meant changing the product mix—paring down the number of items the stores carry, an emphasis on high turnover products and the introduction of more brand name merchandise.

One thing was definite during the year: Under Mr. Pistner, Wards would not be converting 115 of its units into Jefferson Ward outlets, the company's discount operation, as had been planned.

Evidence of Mr. Pistner's strong hand was the centralization in late 1981 of Wards advertising efforts. In the past, Wards ad efforts were placed largely on a local basis, but beginning in 1982 the retailer started committing 70% of its newspaper advertising to preprinted color supplements appearing in Sunday newspapers in its various markets.

In 1981, measured media spending for Wards and Wards merchandise totaled $20.8 million, the bulk of it in spot tv and only $138,900 in newspaper supplements. Total spending was down from the $24.9 million recorded in 1980. Ad spending for Jefferson Ward in 1981 totaled $2.7 million—all of it in spot tv—compared with $1.7 million in 1980.

While Montgomery Ward goes through a period of major readjustment, Mobil's paperboard and packaging subsidiary, Container Corp. of America, enlarged its timberland holdings and began construction of a technical and research complex in Carol Stream, Ill. During the year, CCA continued its 32-year-old "Great Ideas" ad campaign and introduced a "Container Container" series to promote its ability to develop "innovative" packaging.

CCA's measured media ad spending in 1981 totaled $220,500, but Mobil reported an additional $332,165. In 1980, measured spending amounted to $96,800.

As active as all of Mobil's divisions were in 1981, one would expect corporate advertising spending to have increased as well. It did. In 1981, the company reported spending $6.1 million for corporate print ads, compared with $5.0 million in 1980, and $2.9 million for tv issue commercials, compared with $2.0 million in 1980.

Leading the way, of course, were the all-print quarter page "advertorials" that appear on the op-ed pages of leading dailies and in selected consumer magazines. Those series are in their 11th year, and they continue to be a source of controversy, particularly when a lot of attention focuses on Mobil or the oil industry in general.

But Mobil is also a leading underwriter of Public Broadcasting Service programing, celebrating its 10th anniversary

ALL OVER DENVER,
BOARDROOMS CONCUR....

Informative, entertaining, responsible, bright, contemporary, readable, believable (with widely acclaimed special sections every morning), the News is the choice of Denver's affluent and influential—the decision makers and the buyers. More of this city's major movers and shakers read and respond to the News than any other newspaper. Studies confirm it.* (And we'll be happy to supply you with the facts and figures.) Denver chooses the News.

*Belden, CMS, 1981.

Denver's Extraordinary Morning Newspaper

Rocky Mountain News

A Scripps-Howard Newspaper. Represented nationally by Story & Kelly-Smith, Inc.
ATLANTA • NEW YORK • BOSTON • SAN FRANCISCO • CHICAGO • DALLAS • LOS ANGELES • PHILADELPHIA • DETROIT

with "Masterpiece Theatre" in 1981. It also lined up a series of heavyweight programs for its "Mobil Showcase Network" for syndication across the country. A top title in the series is an 8½-hour miniseries of "Nicholas Nickleby," a Tony-award winning play and the subject of much attention on Broadway in 1981.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$8,534,000	$5,923,400
Magazines	2,740,100	2,746,900
Farm publications	1,454,000	1,914,600
Spot tv	33,641,500	33,117,600
Network tv	11,339,800	8,666,400
Spot radio	2,597,800	2,872,900
Outdoor	38,100	135,300
Total measured	60,395,300	55,377,100
Unmeasured	233,103,200	218,939,600
Total	293,498,500	274,316,700

MOBIL OIL CORP.

CORPORATE PUBLIC AFFAIRS PERSONNEL

H. Schmertz, vp
R.P. Maxon, genl mgr

MARKETING PERSONNEL

Marketing & Refining Division

R. L. Abbott, vp-genl mgr, mktg
D.K. Richardson, genl mgr, resale mktg
H. Hokamp, genl mgr, commercial mktg
K.C. Esty, genl mgr, mktg services
J.P. Landy, adv mgr

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Mobil consumer and public affairs adv—Alan O. Pando, group senior vp; Larry Iannuzelli, vp-mgmt super; Brian Craig, acct super; Anne Oliver, acct super; Barbara Best, acct exec; John White, acct exec.

Creamer Inc., New York—Mobil commercial adv—F.J. Dixon, acct super. Chicago—Mobil farm adv—Ron Horstman, acct super.

MOBIL CHEMICAL

MARKETING PERSONNEL

Plastics Division,
Consumer Products Department

P. Luchsinger, vp-mktg & sales
M.L. Sweeney, mgr-mktg services

Packaging Department

R. Sax, mgr-graphics communications
R.E. Johnson, mktg mgr, food prods
L. Boudens, mktg mgr, institutional prods

Design Products Department

E. Simpson, prod mgr

Commercial Films Department

J. Murphy, prod mgr

ADVERTISING AGENCIES

Ted Bates Advertising, New York—consumer prods, Hefty bags, Hefty disposable prods—Don Ashley, vp.

Conklin Labs & BeBee, Syracuse, N.Y.—pallet unitization prods, film division design prods—Thomas Colligen, president.

Food Fundamentals, Stone Mountain, Ga.—institutional prods—Joe Skillen, acct exec.

Hutchins/Young & Rubicam, Rochester, N.Y.—commercial films dept—Larry Smith, acct exec.

MONTGOMERY WARD & CO.

MARKETING PERSONNEL

D. Snell, vp-ad & sales promo
J.D. Flakne, asst retail merch mgr
C.P. Brewster, retail ad media mgr

ADVERTISING AGENCIES

Media Bureau International, Chicago—Richard Pickett, president; Norma Wren, vp.

CPM Inc., Chicago—Norman Goldring, president; Roger Casty, vp-media director

CONTAINER CORP. OF AMERICA

MARKETING PERSONNEL

J. Massey, director-communication
R. Best, mgr-communication

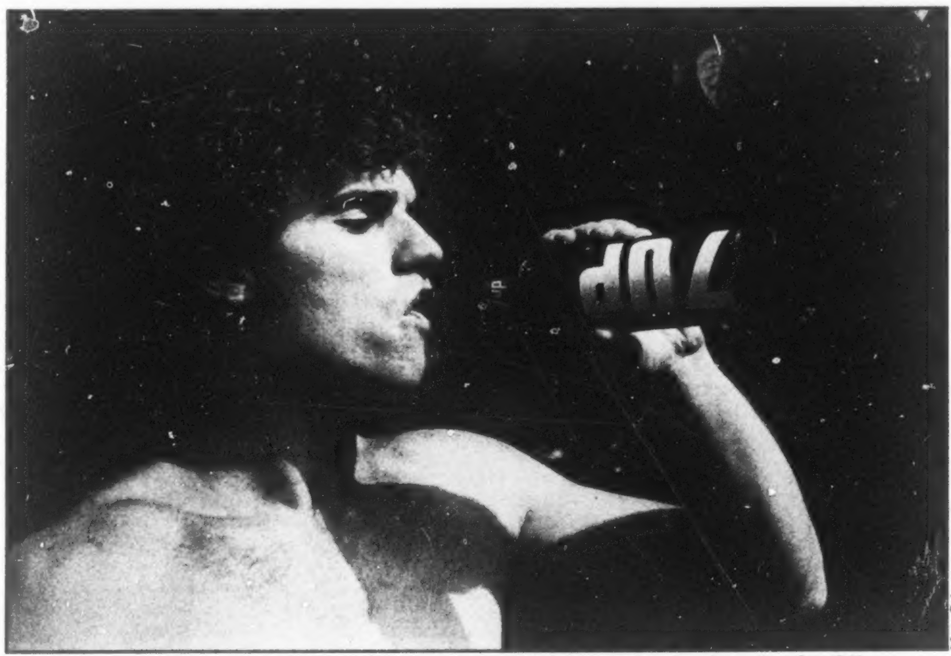
ADVERTISING AGENCY

CPM Inc., Chicago—Norman Goldring, president; Marlene Tornabene, acct mgr.

Philip Morris Inc.

	1981	1980
Sales	$10,885,900,000	$9,822,300,000
Earnings	676,200,000	576,800,000
Advertising*	432,971,400	364,594,700

*AA estimate



Mary Cairns

"Never had it, never will": 7UP's new campaign has helped to boost sales 9%.

Philip Morris Inc., New York, the fourth largest national advertiser, increased its advertising 19% in 1981, to an estimated $433 million, a year in which, as usual, cigaret and brewing operations played the key roles in the company's sales and earnings growth.

Consolidated sales were up 10.8% to $10.9 billion in 1981. Earnings were $676.2 million, a 17.2% gain over 1980. For the first six months of 1982, consolidated sales were $5.9 billion, an increase of 8.6% over the same period last year. Net earnings climbed 22.9% to $357.1 million from $290.6 million earned during the first six months of 1981.

The contributions of Miller Brewing Co., Milwaukee, to consolidated revenues and operating income in 1981 were 26.1% and 8.1%, respectively. (It increased operating revenues 11.6% to $2.3 billion.) Miller had a 21.9% share of the industry in 1981, up from 20.6% in 1980. It had an 8.1% increase in bbls. sold in 1981 over 1980.

The company's U.S. and international cigaret sales increased to 449 billion units in 1981. Philip Morris U.S.A., the company's largest operating unit, increased its domestic cigaret output (including exports) to 245 billion units, or 33.9% of the U.S. market, the volume of which totaled 627 billion units in 1981, according to the Maxwell Report.

Seven-Up Co., St. Louis, reported a $1.7 million loss in operating income in 1981, well under the 1980 loss of $7.1 million. Operating revenues increased from $353.2 million in 1980 to $432.1 million in 1981.

With its share of the domestic soft drink market slipping just below 7% in 1981, Philip Morris made two key moves: A repositioning of 7UP, using a no-caffeine campaign, and moving a new cola drink, Like, into eight test markets. Like, which is 99% caffeine-free, was backed by $2.3 million in advertising.

The no-caffeine campaign immediately drew cries of protest from other soft drink manufacturers and bottlers. Bottlers producing other drinks, such as Coke, Pepsi and Dr Pepper, believe the advertising campaign, touting no caffeine, could hurt sales of drinks containing caffeine. Officials of PepsiCo Inc. said the campaign relied on scare tactics. Seven-Up is spending about $1.5 million on the no-caffeine spots.

All of the commercials center on the no-caffeine theme. The one spot that has triggered the most controversy shows rival products: Dr Pepper, Coca-Cola, Pepsi-Cola, Mountain Dew, Tab and Mello Yello. In it, Tug McGraw, Philadelphia Phillies relief pitcher, tells a group of children, including his daughter, to find the soda without caffeine. "It's 7UP!" he says. "I'm talkin' no caffeine. I mean zero. Never had it, never will."

The company took risks when it decided to introduce Like and undertake the no-caffeine campaign. Approximately 40% of Seven-Up's volume goes through bottlers that also handle Pepsi Cola, Coca-Cola or R.C. colas. They may be alienated by an anti-caffeine campaign.

If it intends to take Like nationally, Seven-Up needs to find bottlers not already committed to Pepsi, Coke or another cola, or who would be willing to take a chance with a new cola.

Both the new campaign and the Like introduction seem to be going well for the company. Like's share of the market in test has shown a steady increase, while industry analysts report that 7UP sales have increased between 8-10% since the introduction of the no-caffeine spots.

Miller Brewing Co. changed its pricing strategy in 1981 in response to increasingly competitive market conditions. Miller delayed its price increases approximately three months following Anheuser-Busch increases in late 1980 and again in late 1981.

This tactic, combined with an advertising blitz, enabled the brewer to increase volume 8.1% over 1980 to record a record shipment level of 40.3 million bbls, giving Miller a 22% share of the market.

Miller's hot property, Lite beer, has come under heavy attack from Anheuser's new Budweiser Light. A-B has spent approximately $40 million in the brew's introduction. In 1981, Lite accounted for 2.9 million of the 3 million gain in Miller's barrelage.

Lowenbrau, which was tapped to counter Michelob, has not fared well over time with consumers who were skeptical when Philip Morris began brewing the German beer in the U.S. But in 1981, Lowenbrau had 27% growth in barrelage to an estimated 1.7 million bbls.

That growth cost Miller $19.5 million in advertising, more than half of which was spent on Miller High Life, which shipped about 23 million bbls. High Life accounted for approximately 60% of the company's total shipments in 1981.

Philip Morris continued its quest to introduce a successful menthol cigaret to compete with Brown & Williamson's Kool and R.J. Reynolds' Salem. It began retesting Northwind as a low-tar, menthol smoke.

The company's entry in the ultralow-tar category, Cambridge, has not proved successful after two years on the market. The cigaret has gained only a 0.2% share of the market. (In a related development, the company started national introduction in June of Benson & Hedges Ultra Lights.)

Despite trouble with a few brands, Philip Morris' worldwide cigaret business is the company's money-making machine. Over the past decade, Philip Morris has doubled its market share. In 1981, U.S. cigaret sales were up 1.4% while Philip Morris was recording a 4.3% gain. The company's domestic market share moved from 31% in 1980 to 31.8% in 1981.

Marlboro remains the top-selling smoke in the industry, Benson & Hedges is the leading 100mm cigaret, Merit is the top-selling free-standing low tar and Virginia Slim is the top-selling cigaret designed for women.

Philip Morris U.S.A. had operating revenues of $3.8 billion and operating income of $906 million in 1981. Philip Morris International had operating revenues of $3.4 billion and operating income of $373 million.

Looking for other advertising avenues, Philip Morris instituted the Merit Report, an opinion poll that will be conducted in 140 U.S. cities. The poll is conducted by company employes who will tour the country in vans.

In each city, citizens can go into the computer-equipped vehicles and answer 10 multiple-choice questions on national issues. At the end of each week, the data are fed into a main bank in New York so that press releases reporting the national results can be sent to news organizations throughout the country. Philip Morris is reportedly spending $10 million a year on the poll.

ADVERTISING EXPENDITURES

	1981	1980
Newspaper	$90,602,700	$77,624,300
Magazines	102,835,100	79,326,700
Spot tv	20,052,600	22,666,700
Network tv	99,558,800	97,377,900
Spot radio	18,113,200	11,107,300
Outdoor	41,809,000	31,491,000
Total measured	372,971,400	319,594,700
Unmeasured	60,000,000	45,000,000
Estimated total	432,971,400	364,594,700

TOBACCO PRODUCTS DIVISION

MARKETING PERSONNEL

James J. Morgan, exec vp-mktg
James L. Thompson, vp-media
Robert A. Fitzmaurice, vp-brand & promo
Albert J. Bissmeyer, vp-merch
John J. Jeb Lee, vp-mktg services
Thomas R. Keim, director, brand mgmt
Jon N. Zoler, director. mktg rsch
Ellen Merlo, director, mktg communications
William K. Cutler, director-merch materials
Edwin J. McQuigg, director-merch planning
Melvin Lamster, director-merch programs
Vincent J. Weiner, director-special promo & production
Alan H. Bick, director, natl accts admin
Herbert H. Foster, asst to exec vp-mktg
Robert P. Roper Jr., brand mgr, Marlboro
Richard L. Stirlen, brand mgr, Merit
Lawrence E. Wilson, brand mgr, Benson & Hedges
Howard Goldfrach, brand mgr, Virginia Slims
Alysia J. Cohen, brand mgr, Parliament
Jack W. McAuley, mgr-brand programs, Marlboro
Cathy L. Lieber, mgr-brand programs, Virginia Slims
Cathy M. Gillis, mgr-brand programs, Merit
Claude A. Beck, director-media

ADVERTISING AGENCIES

Leo Burnett USA, Chicago—Marlboro, Merit, Virginia Slims, Parliament Lights, Cambridge, Saratoga—Hal Adams, exec-vp; William Engelbrecht, senior vp-client service director; Pete Volz, vp-acct super, Marlboro, Parliament Lights, Saratoga; Paul Driggs, vp-acct super, Virginia Slims, corporate, trade; Peter Metz, vp-acct super, Merit, Cambridge; Tom Dudreck, acct exec, Marlboro, trade; Bud McCullen, acct exec, Merit; Ray Pokorny, acct exec, Virginia Slims, Parliament Lights; Mark Hazeltine, acct exec, Cambridge, Saratoga; Ted Simon, acct exec, new prods.

Wells, Rich, Greene—Benson & Hedges—David Bulleit, senior vp-account group head; Jane Eastman, senior vp-mgmt super; Vince Minicucci, senior vp-mgmt super; Robert Rosenthal, acct exec; Richard Barry, acct coordinator; Arnold Weinrib, senior vp-mktg director.

MILLER BREWING CO.

MARKETING PERSONNEL

Lauren S. Williams, exec vp
William S. Catlin, vp-brand mgmt
John Garner, asst to exec vp
Bob Toledo, group prod director
Douglas E. Rogers, brand mgr, Miller High Life
W.H. (Barry) Barrett, brand mgr, Lite
Jerry F. Schmutte, brand mgr, Lowenbrau
Sam Frank, brand mgr, Miller Special Reserve
Michael Boykin, brand mgr, Magnum Malt Liquor
Leonard Goldstein, vp-sales

ADVERTISING AGENCIES

Backer & Spielvogel, New York—Miller High Life, Lite, Lowenbrau—Miller High Life: Jeff Palmer, senior vp, group mgmt rep; Constantine Scaros, vp-mgmt super; Randy Windschitl, vp-acct director, Miller High Life; Howard Sherman, acct exec, Lite; John Griswold, vp-acct director, Lite; Vince Falcone, acct exec, Lowenbrau; Ed Keating, vp-acct director, Lowenbrau; Howard Uniman, acct exec, Miller High Life; Michael Russell, acct exec, Magnum and new prods.

Mingo-Jones, New York—Miller High Life, Lite, corporate adv—Frank Mingo, president; Caroline Jones, exec vp-creative; Wendell Crosswhite, senior vp-genl mgr; Sam Chisholm, vp-mgmt super; Alan Corwin, vp-assoc creative director; Michael Randazzo, vp-assoc creative director; Sam Reed, vp-assoc creative director; Roger Green, media director; Fred Grant, acct exec.

SEVEN-UP CO.

MARKETING PERSONNEL

Charles W. Schmid, vp-franchise
Wilson F. Fowle, vp-mktg
Ralph Countryman Jr., vp-media services
David L. Smith, vp-creative
Richard White, group prod director-7UP brands
David Haffner, group prod director, new/allied brands
Anthony J. Rebello, director-foodservice prods

ADVERTISING AGENCIES

N W Ayer, New York—7 UP, Diet 7UP—Clark Hine, senior vp-exec acct director; Joseph Harte, senior vp-mgmt super; Lauren Tucker, vp-acct super, 7UP; Richard LeFurgy, vp-acct super, Diet 7UP; Keith Gould, senior vp-exec creative director; Ellen Jacobson, vp-creative super, 7UP; Frank DeFilippo, senior vp-creative super, Diet 7UP; William Wietecha, vp-acct super, Seven-Up field force.

Backer & Spielvogel, New York—new prods—Randy Lindell, senior vp-director acct service; Robert Gibralter, acct super; Charles Ryant, senior vp-assoc creative director; Norman Tanen, vp-assoc creative director.

PHILIP MORRIS INTERNATIONAL

MARKETING PERSONNEL

Ed Gray, director, mktg services
Franklin Caton, mgr-mktg support services
Kay Galeotti, adv coordinator
Alice Liu, mgr-consumer research services

ADVERTISING AGENCY

Leo Burnett USA, Chicago—Jim Oates, mgmt director; Skip Long, acct exec.

PHILIP MORRIS INDUSTRIAL

MARKETING PERSONNEL

William D. McCoy, president-ceo
Robert Moore, director-corp affairs

ADVERTISING AGENCIES

Graphics One Associates, Stamford, Conn.—Jack Bousian, acct exec.

Scannell Inc., Brookfield, Wis.—Joe Schall, acct exec.

MISSION VIEJO CO.

MARKETING PERSONNEL

Harvey Stearn, vp-mktg & product devel
Grant Sullivan, director, mktg

ADVERTISING AGENCY

Cochrane Chase & Livingston & Co., Newport Beach, Cal.—Ron Reiter, acct exec.

King Advertising and Public Relations—Newport Beach, Cal.—Marty Reinfried, acct exec.

MortonNorwich Products

	1981	1980
Sales*	$957,584,000	$846,601,000
Earnings*	53,010,000	47,730,000
Advertising**	42,483,800	50,212,800

*Fiscal year ending June 30
**AA estimate

MortonNorwich Products, Chicago, the 94th largest national advertiser, decreased its advertising spending approximately 15% to an estimated $42.5 million.

Sales of $957.6 million for fiscal 1981 represent a 13% increase over $846.6 million in sales for fiscal 1980. Net income was up about 11% to $53 million from $47.7 million in fiscal 1980.

For fiscal 1982, ended June 30, the company reported a 26% increase in net income, up to $48.5 million. Net gain for the year was $79.8 million, primarily due to the sale of the pharmaceutical division. Net sales were up 9% in 1982, to $787 million.

In March, 1982, Procter & Gamble agreed to buy MortonNorwich's $216 million pharmaceutical business, the Norwich-Eaton division. The cost to Procter & Gamble was $371 million in cash.

The pharmaceutical operation, which produces professional drugs as well as over-the-counter medications, recorded profits of $21.9 million on sales of $215.8 million last year. In fiscal 1981 the unit showed earnings growth of 36% over 1980 and accounted for 22% of MortonNorwich's operating profits and 23% of total sales.

At the time the sale to P&G was announced, analysts agreed the reason MortonNorwich sold its drug business is that the market demands excessive cash expenditures on the part of companies in order to have an impact. A New York Times report said "In 1982 about 15 drug companies will each spend $100 million or more on research and development . . . compared with MortonNorwich's total corporate research and development last year of only $24.3 million."

Norwich-Eaton's over-the-counter products are estimated to make up 80% of sales for the unit. Among these products is Pepto-Bismol, a $65 million brand with approximately 12% of the $550 million stomach remedy market. The company spent about $6.3 million to advertise the product in calendar 1981, down from last year's $7.4 million.

In the sore throat remedy market, the company has the brand leader in Chloraseptic, an oral antiseptic-anesthetic. The company said sales of the brand, because of growth in the lozenges, were up 14%. Chloraseptic has over a 40% share of the market. During 1981, advertising for the line was moved to Henderson Advertising from James Neal Harvey Inc. Henderson also handles many brands in the company's household products division. Chloraseptic was backed by about $3.7 million in measured media advertising in calendar 1981, about even with the previous year's spending.

Norwich aspirin, the company says, was up 55% in sales from 1980, where a 50% increase was shown. Sales of aspirin were about $6 million. The company used consumer promotion, tying in Norwich aspirin with Chloraspetic and Pepto-Bismol. Coupons in freestanding newspaper inserts were used.

Ad spending for the Encare Oval contraceptive was cut almost in half to about $500,000, all in magazines. Procter & Gamble will not be acquiring the Encare Oval product with the rest of the pharmaceuticals unit.

The household products division, Texize, was a success story for MortonNorwich in 1981, as sales rose 19% to $228.6 million from $191.6 million. Earnings were up 50% to $23.1 million from $15.4 million.

Yes heavy-duty detergent plus fabric softener, which was rolled out nationally in July, 1981, accounted for 40% of the division's sales growth.

Yes received $8.4 million in measured media spending, a 55% boost from 1980. Of that sum, $4.2 million went to network tv, $2.8 million to spot tv and $1.2 million to magazines. Ad spending for Yes the previous year was $5.4 million.

Another household product mainstay for the company is Spray 'n Wash, the leader in the soil and stain remover category with 49% of the market. Sales for Spray 'n Wash were up 5% in the company's fiscal year. The company cut ad spending for the brand by 34%, down to $5 million from $7.7 million in calendar 1980.

Another category-leading product that got a cut in ad support was Fantastik spray cleaner, where spending was down 14% to $4.5 million, from $5.7 million. The majority of 1981 spending was in network tv. Sales for Fantastik were up 14%, the company said.

Glass*Plus, the No. 2 product in the $100 million-plus glass cleaner market, experienced sales growth of 18% in the company's fiscal 1981. Ad spending for this brand was down 16%, to $3.6 million from $4.3 million.

Wood*Plus, in its second year of national distribution, had a 4.1% share of a category which is dominated by S.C. Johnson & Son with its Pledge brand. Wood*Plus ad spending was up slightly to $129,700 from $96,600.

The No-Pest line of insecticides also is a minor factor in a Johnson Wax-dominated category. Where Raid has 48.4% and American Home Products' Black Flag line has 17.4%, the Texize No-Pest line shows up with 4.1% of the segment. Ad support behind the brand was cut 44% to $1.2 million from $2.3 million the previous calendar year. The company introduced a new product in the line, a flea spray.

Ad spending for Grease Relief kitchen and laundry cleaner was cut completely from $899,000 spent in calendar 1980.

In the company's Morton Salt division, sales were $321 million, up from $295.3 million in fiscal 1980. Profits were $46.9 million, up from $45.2 million the previous year. No measured media spending was recorded in calendar 1981 except for Morton Salt pellets and pellens, which were backed by $68,100, mostly in newspaper supplements. Despite some concern over a possible agency review, Needham, Harper & Steers continues as the agency on a fee basis.

In July, 1982, MortonNorwich acquired Thiokol Corp., a specialty chemicals company, for about $540 million in cash and stock. The acquisition was largely financed by the proceeds from the sale of the company's pharmaceutical division to Procter & Gamble.

Mary Herlehy

Is she conviced that Nabisco's Oreo is the No. 1 cookie?

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$1,926,300	$1,680,300
Magazines	2,069,000	3,205,300
Spot tv	7,017,900	7,173,700
Network tv	25,681,200	31,190,300
Spot radio	25,700	91,300
Network radio	2,281,800	3,459,800
Outdoor	52,300	94,800
Total measured	39,663,800	46,895,300
Unmeasured	2,819,900	3,317,000
Estimated total	42,483,700	50,212,800

TEXIZE

MARKETING PERSONNEL

J.F. Mayer, president
W.D. West, senior vp-mktg
G.E. Mercer, vp-mktg
D.D. Smith, director of new business devel
Charles Tornabene, director of new product devel

ADVERTISING AGENCIES

Henderson Advertising, Greenville, S.C.—Fantastik, Janitor-In-A-Drum, K2r, Pine Power, Spray 'n Wash, Glass*Plus, No-Pest, Texize cleaner, new prods—R.W. Callahan Jr, exec vp-director of account services.

Liller Neal, Atlanta—Grease Relief, Yes, All Ways Soft, Wood*Plus, new prods—R. Hemsley, senior vp.

MORTON SALT

MARKETING PERSONNEL

W.E. Johnston Jr., president
J.F. Poe, vp-sales
R.L. Pierobon, vp-mktg
B.W. F. Weston, director of mktg
M.A. Eikleberry, director of consumer mktg
D.B. Nilson, director of highway and industrial mktg
R.W. McDonald, director of communications
L.T. Kozon-Mattes, director of mktg rsch
R.E. Bravieri, T.J. Butler, R.J. Grube, M.P. Jurgensen, J.R. Pfeil, prod mgrs

ADVERTISING AGENCIES

Needham, Harper & Steers, Chicago—R. P. Laven, vp, senior acct director, J.R. Vogrin, J. Nichols, acct execs.

Seiber & McIntyre, Chicago—Morton Salt—Dave McCarty, acct super.

MORTON CHEMICAL

MARKETING PERSONNEL

R. B. Covalt, president
R. B. Kron, senior vp
A. Seiling, vp-electrical & electronic materials
Dr. S. Zweig, vp, adhesives, coatings & chemical specialties
N.G. Reddeman, mgr, adhesives and coatings
J. J. Fuerholzer, mgr, chemical specialties
T. E. Nowakowski, group mgr, dyestuffs
J.W. Rowlett, group mgr, industrial chemicals
P. L. Weyna, director, chemical development

Nabisco Brands

	1981	1980
Sales	$5,819,200,000	$5,587,200,000**
Earnings	266,300,000	234,800,000†
Advertising*	340,983,000	192,124,000

*AA estimate
**Nabisco Inc. and Standard Brands combined
†Revised

Nabisco Brands, New York, the seventh largest national advertiser in 1981, spent an estimated $341 million on advertising, a 77.4% increase over estimated 1980 expenditures of $192.1 million.

In 1981, Nabisco merged with Standard Brands, forming Nabisco Brands, the nation's fourth-largest food company. The merger was approved by stockholders on July 6, 1981.

In the same month, through William Esty Co., the company ran a newspaper ad "Announcing the First Day of Trading for Nabisco Brands." It featured Robert Schaeberle, new chairman-chief executive officer and former Nabisco Inc. chairman, and new president F. Ross Johnson, former chairman of Standard Brands.

Contrary to the stockholder prospectus that stated Nabisco and Standard Brands would retain their separate identities and operations, the two companies consolidated totally and dropped the Standard Brands name.

Most financial analysts said that the integration and reorganization took place much sooner than they expected. Industry forecasters over the last 14 months have continually commented on Nabisco having emerged as the stronger partner in the marriage.

Since the merger, the company has gone through major revisions of its organizational map as well as agency reassignments. At yearend 1981, Nabisco was organized under two branches, Nabisco Foods and Nabisco Products. These two operating groups were created shortly after the merger—as well as

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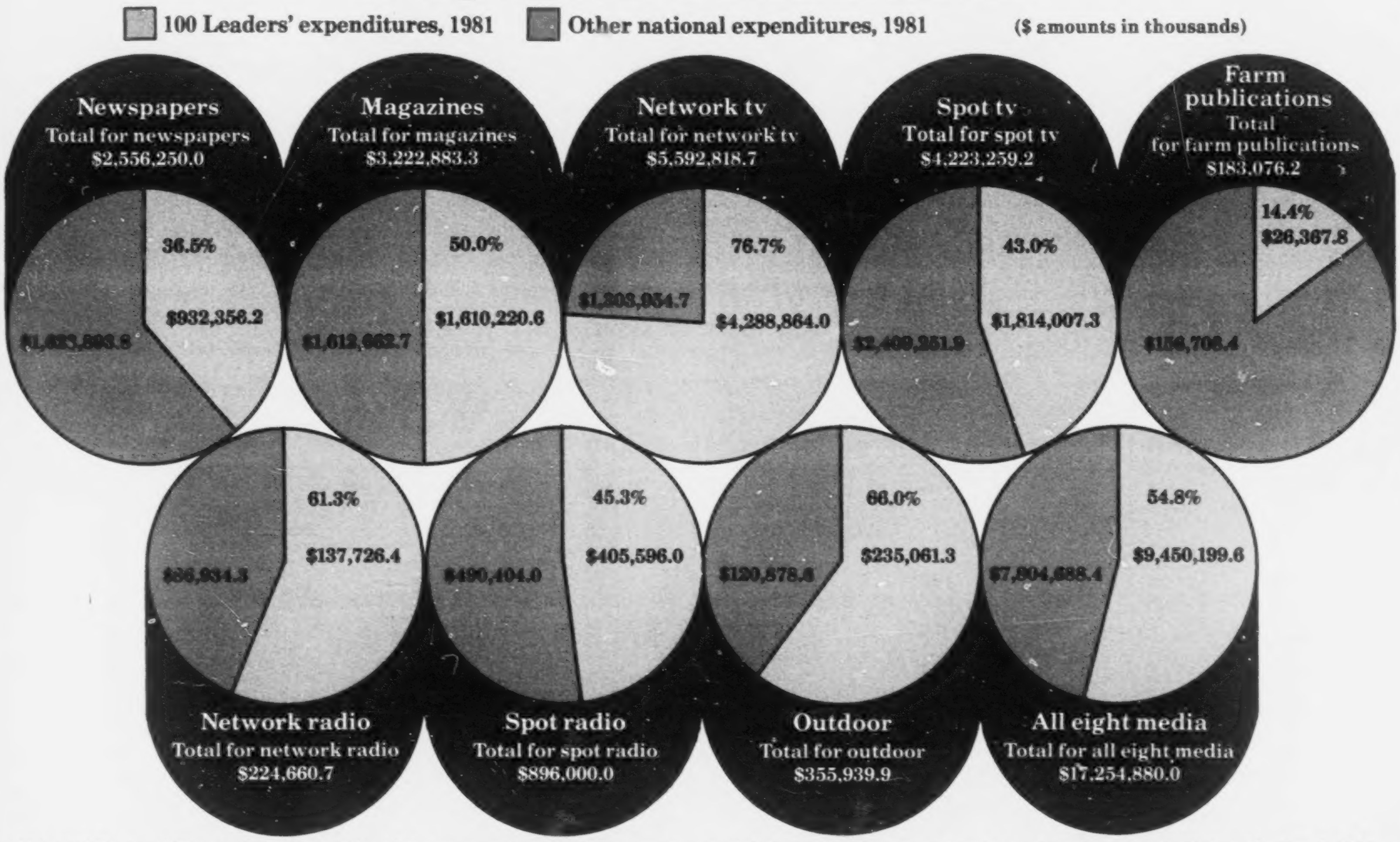
100 leading national advertisers account for giant share of expenditures in most media



Of the 17.3 billion invested by national advertisers in eight media last year, more than half (9.5 billion) came from the 100 leading national advertisers, as shown in these charts. Sources: Leading National Advertisers; Publishers Information Bureau; Broadcast Advertisers Reports; Radio Expenditure Reports; Institute of Outdoor Advertising; Outdoor Advertising Assn. of America; Radio Advertising Bureau; Agricultural Marketing Information Service (AGRI-COM); Media Records

after management announced its intention to run both companies independently with one corporate parent.

Under the second reorganization, announced in May, the company was split into two major branches. Nabisco Brands U.S.A. includes all domestic food operations, all Nabisco food products and Standard Brand food products as well as the beverage group. It also includes food ingredients, a segment on which the company spends no ad dollars.

The second division, Nabisco Brands International, consists of all nonfood products, J.B. Williams toiletries and pharmaceuticals, its Associated Products division (shower curtains and household accessories) and all foreign holdings. Nabisco's international operations account for 30% of the company's net sales and 25% of operating income.

The company reported worldwide sales of $5.8 billion in 1981, 4% greater than its net sales of $5.6 billion of both companies combined in 1980. Net income rose 13.4% to $266.3 million from combined income of $234.8 million in 1980. Earnings per share of common stock were up 12.9% to $4.21. Nabisco reported earnings for the first half of this year of $129.7 million, up 18% from the same period last year, and an increase in sales of 4%, to $2.92 billion.

Nabisco's performance was also strengthened by its acquisition of Squibb Corp.'s Life Savers. The move added a complementary line of rolled candies, bubble and chewing gum to the company's already diverse confectionery division. The December, 1981, $250 million purchase made Nabisco Brands the third-largest confectionery marketer in the U.S. Life Savers is also the country's largest producer of bubble gum, with a 33% share of that market. In the chewing gum market, Life Savers has an 11% share, trailing the lead of Wrigley and Warner-Lambert's American Chicle division.

Nabisco's entry into the chewing and bubble gum market has added more leaders to the company's line of top brands, like Oreo, which more than one industry observer believes is the nation's No. 1 cookie. But the company faces formidable competition in both the cookie and snack markets. Cookies and crackers accounted for 30% of the company's total sales.

Keebler and American Brands' Sunshine still trail Nabisco as cookie competitors. However, in May Frito-Lay introduced a 16-variety line of Grandma's cookies aimed at grabbing Nabisco's limelight. To counter Frito-Lay's move, Nabisco has been beefing up its line of salty snacks in cannisters under the Planter's label and introduced a corn chip to compete with Frito-Lay's No. 1-selling Frito's corn chip.

In agency realignments prior to the merger of Standard Brands and Nabisco, the former dropped Wells, Rich, Greene; Doyle Dane Bernbach; D'Arcy-MacManus & Partners and Chicago-based Lee King and consolidated its food and confectionary business at MCA Advertising. Marketing Co. of America had been hired in 1979 for marketing advice. MCA handled Nabisco's introduction in December, 1981, to Florida test markets of Sunburst, a 100% sunflower oil margarine. Thus far, no plans have been announced to introduce Sunburst nationally.

But earlier this year, Nabisco ended its relationship with MCA. It split reassignments of some of its brands between McCann-Erickson and Benton & Bowles.

McCann-Erickson added Baby Ruth and Butterfingers candy bars to the Nabis-co accounts of hot and ready-to-eat cereals and Dromedary baking mixes.

Benton & Bowles, which handles the Planters line of nuts, oil and snacks, gained the Fleischmann's and Blue Bonnet margarine lines.

Media spending for Fleischmann's and Blue Bonnet in 1981 totaled upwards of $3.3 million while Baby Ruth and Butterfinger received only $12,400 of media support in 1981.

MCA also lost Tender Leaf tea, Royal puddings and gelatins and Fleischmann's Egg Beaters. These products will be promoted on a project basis by Ted Chin & Co.

In another agency reassignment, Nabisco moved approximately $6 million worth of its Life Savers business to Dancer Fitzgerald Sample, New York, from Foote, Cone & Belding this summer. Dancer adds Bubble Yum bubble gum to Life Savers and Breath Savers roll candies and Care*Free gum.

Dancer's challenge will clearly be to keep Bubble Yum the leader in the soft bubble gum category it virtually created in the mid-1970s. It has major competition from two later entries, Warner-Lambert's Bubblicious and Wrigley's Hubba Bubba.

Also in 1981, Nabisco introduced Gold Line dessert cookies, I Scream sandwich cookies, Fudge Striped Shortbread, and two snack crackers, Country Crackers and Better Cheddars. The latter was introduced via tv commercials featuring actor Ron ("Barney Miller") Carey and national newspaper ads. Other products introduced to test markets in 1981 were Morning Power, a vitamin-enriched hot cereal, and Country Cremes, vanilla custard cookies.

Internationally, the company acquired a 30% interest in Grupo Gamesa, the Mexican leader in cookie and cracker sales. In addition, it signed an agreement to acquire the final 25% of Gallesta Artiach, a major cookie and cracker manufacturer in Spain of which the company already owned a 75% interest.

In other moves in 1981, Nabisco disposed of its Pinata Mexican food and Royal Dragon Oriental food operations, and sold its U.S. Chase & Sanborn coffee business to General Coffee Corp. for more than $15 million. Prior to the sale of the coffee division, the brand had been unadvertised for some time.

A major move planned in 1982 is the sale of Nabisco's J.B. Williams toiletries and pharmaceuticals division, which has suffered a steady decline in earnings since 1979. J.B. Williams includes brands marketed in more than 20 countries: Lectric Shave, Aqua Velva, Rose Milk lotion, Geritol vitamins, Femiron vitamins and iron, Deep-Down topical analgesic, Acu-Test pregnancy test kit, P.V.M. appetite suppressant and diet plan, Serutan laxative, Sominex sleep aids and Vivarin stimulant tablets. In 1981, the company spent more than $10 million on advertising for Geritol, the largest dollar amount it spent on any single Nabisco brand.

J.B. Williams was up for sale prior to the Nabisco-Standard Brands merger. Nabisco reportedly is asking $75 million for the division. Included in the sale will be house shop Parkson Advertising, which is a part of the Williams division. Parkson currently buys about $60 million worth of network tv for all Nabisco products and handles creative for Triscuit, Escort, Wheat Thins and Chicken-in-a-Biscuit crackers, amounting to an estimated $5 million in billing.

Even with the volume of business handled by Parkson, Nabisco, under the direction of W. Lee Abbott, has put together a new marketing services department. However, Mr. Abbott does not rule out allowing the Nabisco business to remain at Parkson even under another company's leadership.

Also recently announced was Nabisco's plan to sponsor exclusively the tv coverage of the Jan. 1, 1983, Tournament of Roses parade. The company will spend an estimated $2 million through Parkson. The company expects to involve as many as 30 brands of cookies, crackers, nuts, margarines, snacks, cereals, pet food and toiletries.

Announced late in July was the sale of the company's Julius Wile Sons & Co. wine and spirits business to Whitbread & Co., a British brewer. The $155 million sale removed Fleischmann vodka and gin, Canadian LTD, Caffe Lolita liqueur, Inver House scotch, Dunphy's cream liqueur and Irish whisky, American and Silhouette vodkas from the Nabisco product line-up. The Wile division also imported Metaxa brandy and Dry Sack sherry.

According to industry sources, Nabisco may apply some of its earnings from the Wile sale toward the purchase of British cockie and cracker maker Huntley & Palmer Foods.

The company will move its corporate headquarters from New York to Nabisco Brands Plaza in Parsippany, N.J. The move is expected to be completed late this fall.

ADVERTISING EXPENDITURES

	1981	1980†
Newspapers	$3,865,200	$5,137,900
Magazines	17,708,400	15,037,300
Spot tv	25,452,400	23,943,300
Network tv	60,346,300	45,093,500
Spot radio	208,400	4,398,800
Network radio	10,554,900	—
Outdoor	1,147,400	450,000
Total measured	120,863,000	94,060,800
Unmeasured	220,000,000	98,063,200
Estimated total	340,863,000	192,124,000

† Nabisco Inc. and Standard Brands combined

ADVERTISING EXPENDITURES
Nabisco Inc.*

	1980
Newspapers	$1,321,500
Magazines	9,580,100
Spot tv	13,313,800
Network tv	39,151,400
Spot radio	556,600
Network radio	—
Outdoor	—
Total measured	63,923,400
Unmeasured	86,076,600
Estimated total	150,000,000

*Prior to merger

ADVERTISING EXFENDITURES
Standard Brands*

	1980
Newspapers	$3,816,400
Magazines	5,457,200
Spot tv	10,629,500
Network tv	5,942,100
Spot radio	3,842,200
Network radio	—
Outdoor	450,000
Total measured	30,137,400
Unmeasured	11,986,600
Estimated total	42,124,000

*Prior to merger

NABISCO BRANDS
Office of the Chairman

Robert M. Schaeberle, chairman-ceo
F. Ross Johnson, president
Martin F.C. Emmett, senior exec vp
James O. Welch Jr, senior exec vp

NABISCO BRANDS U.S.A.

James O. Welch Jr., president
Robert J. Powelson, exec vp-operations
Claude B. Hampton, senior vp-group exec
Edward P. Redding, senior vp-group exec

MARKETING PERSONNEL

W. Lee Abbott, vp
Samuel B. Haines, division vp-mktg support
George A. Erfurt, director-sales promo
Robert C. Garguillo, director-mkt rsch
Louis J. Rubinacci, director-media

BISCUIT DIVISION
MARKETING PERSONNEL

Claude B. Hampton, president
J. Maxwell Enock, vp-mktg
John M. DiBlasio, group brand mgr, cookies
William R. Stuart, group brand mgr, crackers
David R. Holmes, vp-mktg, snack foods
Mel B. Perlmutter, director-mktg, snack foods
Dante G. Bonardi, adv mgr

ADVERTISING AGENCIES

William Esty Co., New York—cookies, crackers, snack foods—Jeffrey A. Greene, senior vp.

Parkson Advertising, New York—crackers—Dean Heitler, vp-client services.

CONFECTIONERY DIVISION
MARKETING PERSONNEL
Nabisco Confections

Henry J. Bornhofft Jr., president
Harold E. Boutillier, mktg director

ADVERTISING AGENCY

Arnold & Co., Boston—Larry Green, senior vp.

CURTISS DIVISION
MARKETING PERSONNEL

Edward L. Bjornson, exec vp-genl mgr
Lawrence D. Baumgart, mktg mgr

ADVERTISING AGENCY

McCann-Erickson, New York—Sharon Glynn, acct super.

FOOD SERVICE DIVISION
MARKETING PERSONNEL

William J. Tobin, president
James P. Casey, vp-mktg, food and beverage
John T. Mitchell, vp-mktg, bakery and cereal

ADVERTISING AGENCY

Food Group, New York—D. Axelrod, president.

LIFE SAVERS
MARKETING PERSONNEL

Peter N. Rogers, president
Robert W. Denny, vp-prod mgmt, gum
Erick N. Shullman, vp-prod mgmt, candy

ADVERTISING AGENCY

Dancer Fitzgerald Sample, New York—Joseph Mack, exec vp-mgmt director.

MARGARINE AND DESSERT DIVISION
MARKETING PERSONNEL

David M. Chamberlain, president
Ellen R. Marram, vp-marketing-category mgr, margarines, Egg Beaters
Roger L. Wagner, director-category mgr, dry grocery

ADVERTISING AGENCIES

Benton & Bowles, New York—Blue Bonnet margarines—James Schank, acct exec; Fleishmann's margarines, Cynthia Kienzel, acct exec.

Ted Chin Advertising, New York—Royal dessert, Egg Beaters—Ron Self, vp-acct super.

PLANTERS DIVISION
MARKETING PERSONNEL

Fred Corrado, president
Robert B. Truckenbrod, vp-mktg

ADVERTISING AGENCY

Benton & Bowles, New York—Ken Hite, mgmt super; Ted Burnett, acct director. New prods products and Planters nuts: George Burnett, super. Planters nuts: Erica Gillespie, acct exec. New prods: Gloria Trierweiler, acct exec. Planters snacks and oil: Richard S'Dao, super; Andy Alef, acct exec.

SPECIAL PRODUCTS DIVISION
MARKETING PERSONNEL

G.F. Randolph Plass Jr., president
William B. McKnight, vp-mktg
Ruth L. Brodsky, group brand mgr, breakfast foods
Stephen G. Wilkerson, group brand mgr, pet foods

ADVERTISING AGENCIES

McCann-Erickson, New York—ready-to-eat and hot cereals, Dromedary products—Gary Schwinder, acct super.

William Esty Co., New York, Milk-Bone Brand Pet Snacks—Thomas Hayes, senior vp.

BEVERAGES GROUP
MARKETING PERSONNEL

Paul Lohneyer, president, All Brand Importers
Leo Begleiter, senior vp-mktg, All Brand Importers

ADVERTISING AGENCY

Mathieu, Gerfen & Bresner, New York—Ralph Contessa, acct super; Jim Signorile, acct exec.

Nestle Enterprises

	1981	1980
Sales*	$2,387,000,000	$2,400,000,000
Advertising**	88,000,000	82,000,000

*U.S. only
**AA estimate

Nestle Enterprises, White Plains, N.Y., a subsidiary of Nestle S.A., Vevey, Switzerland, is the 61st largest U.S. advertiser, having logged $88 million in spending in 1981, up 7% from the previous year.

Sales dropped 0.5% to $2.39 billion, reflecting substantial cost decreases in raw products, such as sugar, coffee and cocoa beans.

The parent company, Nestle S.A., recorded a 13% sales hike, with sales of 27,734 billion Swiss francs in 1981. North American operations contributed 18.7% of total worldwide sales, up from about 18.3% in 1980.

Pierre Liotard-Vogt, Nestle S.A. chairman, said the 1981 results were achieved by cutting "whatever is superfluous" and by arranging consolidations or activity alignments with other companies.

In 1981, a reorganization took place here when David Guerrant, chairman and president of Nestle Enterprises, relinquished the presidency of Nestle Co. to Jean Caste and became general director of all Nestle's North American food companies. Now reporting to him are The Nestle Co., Libby, McNeill & Libby, Stouffer Corp., Beech-Nut Nutrition Corp., Wine World, Nestle Enterprises Ltd., Canada and Nestle-Libby, Puerto Rico. Nestle Enterprises is the holding company for Nestle's U.S. and Puerto Rican subsidiaries.

Mr. Guerrant's goals include coordinating North American holdings and improving profitability since international officers appear to believe that the sales picture could be much better in the U.S. and Canada.

Jean Caste moved up to president of Nestle, from president of Cosmair, the U.S. subsidiary of L'Oreal, a Paris-based cosmetics company in which Nestle S.A. owns a substantial interest.

Mr. Caste reportedly was brought in to set priorities and to determine best areas of business investments, with a responsibility also for dropping those products not making money.

Mr. Caste noted that product development would be ongoing, commenting that "to be healthy a company must have a permanent product development program, and all products must be permanently under review."

Mr. Caste, who is due to exit the Nestle post within the year for responsibilities at the Swiss headquarters, is expected to continue axing nonprofitable arms of the U.S. operation and to oversee improved development and testing for the domestic products.

The international company, while lobbying against it, agreed to abide by an overwhelming vote in spring, 1981, by the World Health Organization in adopting a code to restrict marketing of infant foods. The U.S. cast the lone dissenting vote on the measure, which came to the forefront after controversy erupted regarding marketing of infant formulas in underdeveloped countries where the water supply is poor.

While Nestle does not emphasize the marketing of infant formula and baby food in the U.S., the company did make changes at its Beech-Nut subsidiary. Niels L. Hoyvald assumed that unit's presidency, and the name of the company was changed to Beech-Nut Nutrition. New products in 1981 were geared toward older children.

The company seems bent on making its mark in nutritional circles, as evidenced by its establishment of a Washington-based Coordination Center for Nutrition to oversee grants to organizations for research in nutrition. Nestle introduced a low-fat, low-starch, low-sugar line of foods under the New Cookery label in the U.S. Pasta, chili and cocoa mix were among items offered with a focus on weight maintenance.

Testing of New Cookery products took place in a few major cities and mixed results were noticeable almost immediately, as some of the New Cookery line had caloric value comparable to regular competing foods. Others claimed pricing was high for the products.

Within several months, the line was removed, although Nestle officials said it might reappear at some time under another name. While New Cookery multi-product measured spending is listed near the $70,000 mark, industry analysts figure New Cookery promotion and ad spending ranged upwards of $3.5 million.

Stouffer Corp. unveiled Lean Cuisine in a rollout which buyers called one of the most successful ever seen. Lean Cuisine foods are pushed as "light eating" offerings which also are for the calorie conscious. Single-servings are a major part of the prepared entries.

Stouffer's also backed its expanding frozen side dish business with a $2 million spending base, and spent $3.6 million, the highest sum for any of its products, on ads for its frozen pizza.

Coffee consumption continues to drop, although with the major population moving into middle age, a leveling off is expected after years of decline. Thus Taster's Choice decaffeinated was the lone Nestle brand gaining, having moved from a 4.3 market share up to 6 in the instant line.

More than $15 million in measured spending, up from $9.4 million in 1980, was used to promote Taster's Choice regular freeze-dried coffee, which nevertheless dropped more than 2 market share points to 9.5%. Pressure appeared highest from Folger's in the soluble coffee segment, now accounting for 16.5% of the industry's volume. This year, Nestle introduced a new, improved Taster's Choice, backed by a record ad expenditure.

Nestle reportedly sold about $75 million in soups, but that figure is declining. While dropping both Lunchtime and Souptime, Nestle's began testing of Simmer Soup, a dehydrated variety with five flavors.

Wispride cheese spread also was withdrawn while Nestle tests new spreads under the same label.

Chambourcy Inc., a new unit of Nestle Enterprises, unveiled in the U.S. a six-item line of French-style yogurt, which the company already sells in Europe and Latin America.

The tea business remains weak for Nestle in a declining market. Still Nestea instant tea, backed by $4.7 million in measured spending, holds 48% of its segment, and the company's ice tea mixes, regular and low-calorie, hold more than 25% in their respective categories. New this year is an improved soluble Nestea.

Though Nestle still has no candy bars among the top 10 in the nation, its Crunch, backed by $5.3 million in spending, and $100,000 candy bar have gained shares in the growing chocolate bar category. Nestle spent $1 million in ads to support a rock album tie-in with the $100,000 bar.

Ads for the popular Nestle's chocolate morsels pinpointed ways to make dough and freeze part of it for later baking. More than $9 million, half on network tv, was alloted for spending on the morsels, also promoting a package with three extra ounces of the small chocolate bits.

Jordan, Case & McGrath grabbed the account for Montclair, a mineral water offered by a Nestle Canadian unit.

Introduction in the U.S. has rocketed the beverage to No. 2 behind Perrier in New York, and to a 52% hold on the Miami market.

Nestle's Wine World, in the Napa Valley, owns 2,000 acres of prime vineyards. Wine World is a marketer of Beringer premium wines, Los Hermanos medium-price wines and an import division representing certain French, Italian and German wines.

In December, 1981, Libby agreed in principle to sell its U.S. canned fruit operations to California Canners & Growers, San Francisco, and its canned vegetable operations to S.S. Pierce Co., Dundee, N.Y.

The sales were completed in June and March, respectively.

Libby will now focus on nonseasonal and noncommodity products, as well as tomato juices, nectars, pumpkins and corned beef.

Libby used $2.8 million, a large part of its budget, to back its Lite canned fruits. The company introduced Daybreak, the first orange breakfast drink with real orange juice, with measured media spending of $20.5 million. Banana and Pineapple Frosts were also introduced during the year, complementing Orange Frost, introduced in January, 1981.

Libby consolidated its $4 million account at the Bloom Cos., Dallas, moving beverages, pumpkin, produce products and new products from long-term agency, Tatham-Laird & Kudner, Chicago.

While over-all network tv spending for Nestle items was down almost $1 million, spot tv received approximately $27.2 million, up from $25.6 million in 1980. Magazines spending also increased by $2 million, while newspaper buys were cut by $1 million.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$3,065,000	$4,027,400
Magazines	7,293,000	5,204,500
Spot tv	27,199,900	25,600,800
Network tv	35,027,000	35,993,900
Spot radio	306,400	847,600
Network radio	2,135,900	1,030,600
Outdoor	140,400	244,800
Total measured	75,167,600	72,949,600
Unmeasured	12,832,400	9,050,400
Estimated total	88,000,000	82,000,000

NESTLE ENTERPRISES

MARKETING PERSONNEL

H.F. McInerney, vp-mktg services
W.D. Yeager, director-adv
J.J. Cornwall, director-mktg rsch
A.D. Sampogna, consumer communications mgr

COFFEE/TEA DIVISION

MARKETING PERSONNEL

W.I. Savel, group vp-coffee/tea division
J.J. Albrecht, vp-contracts division

ADVERTISING AGENCIES

Leo Burnett USA, Chicago—Taster's Choice regular and decaffeinated—Bill Smith, client service director; Garrett Kroll, Jerry Conner, acct supers.

J. Walter Thompson USA, New York—Sunrise and Nestea—Peter Schweitzer, senior vp-group acct director; Herb Kemp, mgmt super; John Tracosas, vp-acct super, Sunrise; Rob Austin, acct rep, Sunrise; Fran Alexander, acct rep, Nestea.

Jordan, Case & McGrath, New York—Deer Park Water and Montclair Water—Jack Taylor, mgmt super; Paul Fleming, acct super.

McCann-Erickson, New York—Nescafe regular and decaffeinated—Robert D. Wadsworth, senior vp-mgmt rep; Peter S. Hall, acct director.

CHOCOLATE DIVISION

MARKETING PERSONNEL

W.R. Jones, group vp-chocolate division

ADVERTISING AGENCIES

Leo Burnett USA, Chicago—Nestle bars, Morsels, new candy products—Bill Smith, client service director; Garrett Kroll, Jerry Conner, acct supers.

Jordan, Case & McGrath, New York—$100,000 Bar and Nestle Hot Cocoa Mix—Jack Taylor, mgmt super; Paul Fleming, acct super.

McCann-Erickson, New York—Quik—Robert D. Wadsworth, senior vp-mgmt rep; Peter S. Hall, acct director.

SPECIAL MARKETS DIVISION

MARKETING PERSONNEL

L.D. Ledin, vp-foodservice
V.K. Wipf, genl mgr-FIDCO
R.T. Maleeny, genl mgr-Synfleur
B.J. Maloney, genl mgr-govt sales
M.K. Cronin, division vp and genl mgr-cheese division
J.R. Giegerich, genl mgr-fund raising

ADVERTISING AGENCY

Poutray & Holyoke, Norwalk, Conn.—FIDCO products—Art Poutray, president; Carol Pekar, mgmt super.

LIBBY, McNEILL & LIBBY

MARKETING PERSONNEL

I.W. Murray, president-ceo
J.W. Stevenson, vp-mktg
R. Schwarze, vp-sales
W. Cuff, vp-new prod devel
G.D. James, vp-prod mgmt
W.J. Barry, vp-mkt devel
P.J. Peters, director-mktg communications
L.P. Judy, vp-planning and devel

ADVERTISING AGENCY

Bloom Cos., Dallas—canned juices and drinks, canned pumpkin, canned meats, nectar products, fruits, specialty products and new products—Nick Arend, vp-mgmt super; Olga Gil, acct super.

STOUFFER CORP.

MARKETING PERSONNNEL

James M. Biggar, president-ceo
John Quagliata, vp-genl mgr, Stouffer restaurants division
Robert McGuigan, senior vp-mktg, Stouffer foods division
Gerald V. DeCroce, vp-mktg, Stouffer foods
Dave Alexander, mktg mgr, entree prods
Ulf Anderfelt, mktg mgr, side dishes
Milton C. Miles, mktg mgr, New Ventures
Joseph A. Gaeto, mktg mgr, pizza

ADVERTISING AGENCIES

Creamer Inc., Pittsburgh—frozen foods—Richard J. Weber, Howard Gittins, vps; Richard Grinberg, John O'Leary, mgmt supers; Tim Barr, Agnes Woloszyk, Pat Wood, acct execs.

Wyse Advertising, Cleveland—Stouffer hotels and restaurants—Charles Boggs, senior vp-group super; John Killpack, acct super.

WINE WORLD

MARKETING PERSONNEL

Mike Moone, vp-natl sales mgr
J.R Van Tuyn, vp-import sales mgr
J.F. Tonjum, vp-mktg

ADVERTISING AGENCY

Keye/Donna/Pearlstein, Beverly Hills, Cal.—Spike Bragg, mgmt super; Gary Senser, acct super.

BEECH-NUT NUTRITION CORP.

MARKETING PERSONNEL

Niels L. Hoyvald, president
George Kilpatrick, vp-mktg
Russ Decker, mgr-mktg services

ADVERTISING AGENCY

Sherwood & Schneider, New York—James Massey, mgmt super; Tom Neuman, acct super.

Nissan Motor Corp., U.S.A.

	1981	1980†
Sales*	$15,680,000,000	$14,667,000,000
Earnings*	408,600,000	428,800,000
Advertising**	87,884,100	69,865,700

*Fiscal year ends March 31
**AA estimate
†Figures for fiscal 1980 restated

Nissan Motor Corp., U.S.A., a subsidiary of Nissan Motor Co. Ltd., which is based in Tokyo, was the 62nd largest national advertiser in 1981, with an estimated expenditure of $87.9 million, up 26% from 1980 spending of $69.9 million. In the fiscal year ended March 31, the parent company, Nissan Motor Co. Ltd., reported reduced earnings from year earlier figures. The losses are partially attributable to currency fluctuations.

Sales for Nissan reached a record $15.6 billion in 1981, although net income for the Carson, Cal.-based subsidiary dropped 4.7% to $408.6 million. This compares with 1980's earnings of $428.8 million, on sales of $14.67 billion. The maker of Datsun cars and trucks produced a total of 2.6 million units for the year, including 226,165 knockdown sets for overseas assembly, down 2.3% from 1980. Overseas volume was down 4.4% to 1.4 million, while U.S. car sales dropped from 516,890 in 1980 to 464,805 in 1981.

Nissan's share of the market in 1981 amounted to 20% of import registrations in the U.S., and 5.4% of the nation's total

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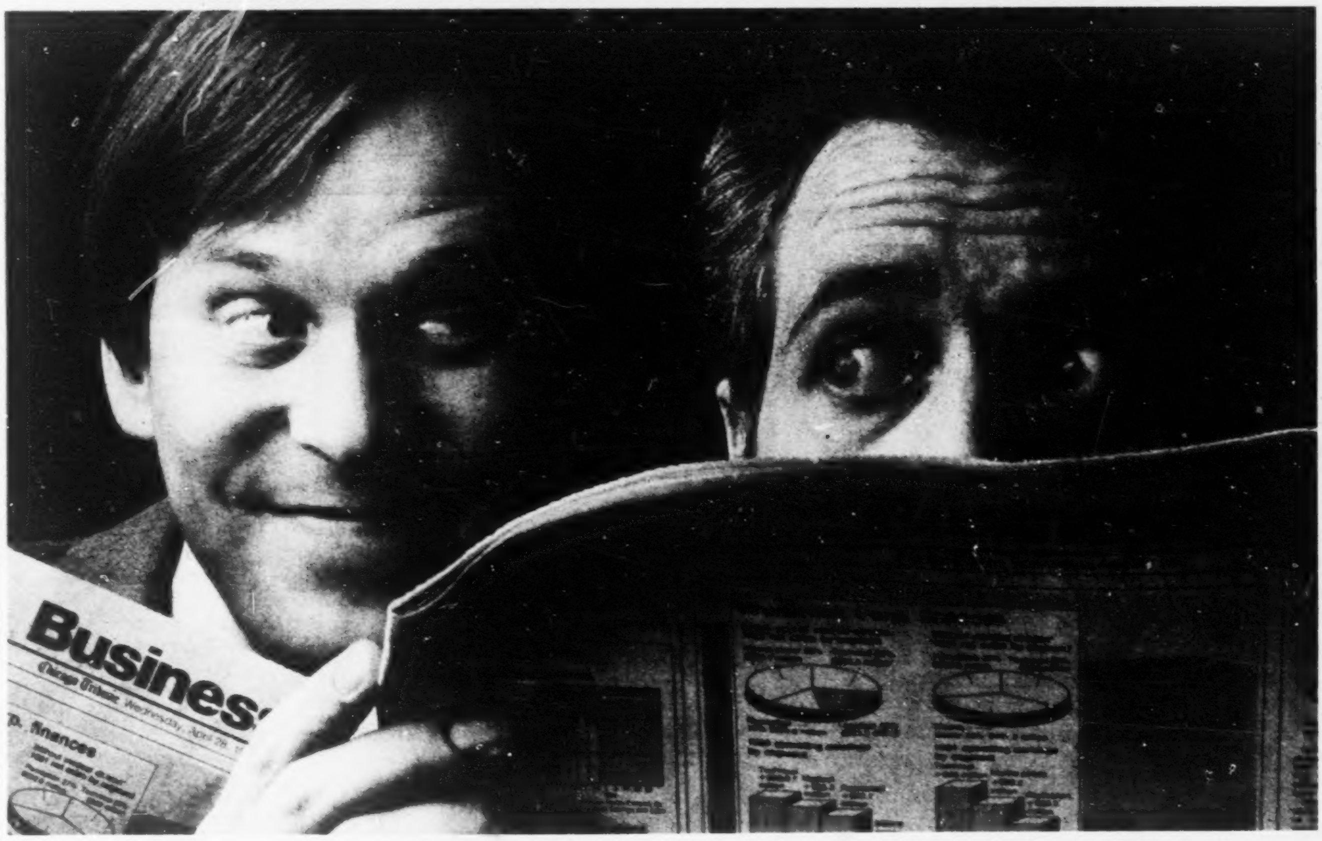

Newspaper ads can tell you a lot about your competition that they'd rather you didn't know.

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Every day, we monitor the advertising placed in every daily and Sunday newspaper in America—all 1,760 of them. Plus hundreds of major weeklies.

And after looking at all that advertising in all those papers, we're able to discover quite a few interesting facts.

Facts that are next to impossible to get with any other single kind of research service.

Facts about everybody who uses newspaper advertising to sell any product or any brand, anywhere in this country.

So if you want to know more about your competition, you'll want to know more about *Mintsystem.*

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market. The company ranks fourth in worldwide production, behind General Motors, Ford and Toyota.

Datsun's 1981-82 model year saw a continuation of the creative umbrella "We Are Driven." The theme serves as a unifying device to emphasize specific consumer benefits for each car line, but with the decision to change the corporate logo from Datsun to Nissan, a gradual process slated for the next several years, the Nissan name has become more prominent in the company's advertising. The change is expected to cost Nissan an estimated $150 million to implement in the U.S.

The 1982 model year saw the introduction of the Nissan Stanza, the company's first venture into the "global" car market and the first model to carry the Nissan nameplate in the U.S. In terms of interior size, the model is the largest car ever sold by Nissan in this country, seating five passengers. With front-wheel-drive, the Stanza has an Environmental Protection Agency rating of 32mpg city and 46mpg highway. The three Stanza models, which replaced the Datsun 510 series, are priced from $7,000 to $8,000.

The Stanza received a major portion of Nissan's October to December spending in sponsorship of Monday Night Football on ABC-TV, spot tv, newsweeklies, business publications and outdoor. Also promoted as new for '82 were styling changes for the sporty Datsun 280 ZX and 200 SX models, which also had the support of spots on college football bowl games going into the new calendar year.

In the spring of '82, the all-new fuel-efficient, front-wheel-drive Nissan Sentra, the second car to be marketed under the Nissan name, was introduced as a replacement for the Datsun 210, an effort that was budgeted at $19 million for a six-month period beginning May 1. The bulk of the Sentra budget, $12 million, went into the first weeks of the promotion using tv, radio, newsweeklies, sports magazines, newspapers and outdoor in Los Angeles and San Francisco.

At 43mpg city and 58mpg highway, the Sentra claims the highest mileage of any gasoline-powered auto in the U.S. The base price of the five-passenger Sentra line starts at $4,949, about $150 more than the 210 it replaced. Tv spots and print advertising featured a variety of people who praised the car's fuel efficiency and low price, with the theme, "You need this car!" followed by the familiar tag line "We Are Driven."

While the full Nissan/Datsun line shared in the support given to the introduction of the '82 models, the main thrust of the effort was behind the Sentra and the company's pickup trucks. The push behind the Sentra produced record sales for Nissan during June '82—46,747 units, half of them new Sentras—the best June sales month in Nissan history.

At the same time, Nissan truck sales nose-dived from year earlier figures, beginning with a 4.2% dip in May and a 37.6% drop in June, to 6,718 units from 10,783 trucks a year earlier. Depressed truck sales throughout the industry fueled a price war in the compact-truck market with Nissan, Mazda and Toyota alternately cutting prices to lay claim to having the lowest-price standard truck. Tv, radio and newspaper ads backed the company's price-war promotions.

The company is scheduled to begin U.S. production of its pickup trucks in the U.S. in the fall of '83 when a new plant, with a 15,000-unit per month capacity, opens in Smyrna, Tenn.

The end of the model year saw the company promoting the introduction of a new five-speed transmission, produced in the U.S. by Borg-Warner, as an option on the Datsun 280 ZX turbo.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$8,824,000	$6,870,000
Magazines	9,827,200	7,404,800
Spot tv	20,006,200	15,384,300
Network tv	21,605,100	18,150,000
Spot radio	7,666,800	5,850,400
Outdoor	954,800	706,200
Total measured	68,884,100	54,365,700
Unmeasured	19,000,000	15,500,000
Estimated total	87,884,100	69,865,700

MARKETING PERSONNEL

R.B. Kent, vp-mktg services
J.M. Opre, adv director
T. Foutz, natl ad mgr
D. Kidman, natl sales promo/merch mgr
J. C McDonnell, corp pr mgr
C. Briggs, media planning mgr
D. Finley, dealer adv mgr

ADVERTISING AGENCY

William Esty Co., New York/Los Angeles—all Datsun vehicles—George Beech, mgmt super.

North American Philips Corp.

	1981	1980
Sales	$3,030,044,000	$2,171,379,000
Earnings	103,974,000	74,488,000
Advertising*	83,881,500	68,514,793

*AA estimate

New York-based North American Philips Corp., with an advertising budget of nearly $84 million in 1981, ranks as the country's 65th largest advertiser.

North American Philips Corp. is an outgrowth of the N.V. Philips industrial organization, which is based in the Netherlands. The U.S. corporation has an extensive and varying product line in consumer products and services, electrical and electronic components and professional equipment. Norelco, Genie, Magnavox, Philco and Sylvania are among its better known brand names.

Sales in 1981 amounted to $3.03 billion, representing a 40% increase over the year before. Earnings also increased 40%, totaling $104 million for the year. Advertising expenditures increased by 22% from $68.5 million to $83.9 million. Network tv got the biggest boostin ad spending, receiving more than $20 million.

The two main consumer products divisions are N.A.P. Consumer Electronics and Norelco Consumer Products divisions. NAP Consumer Electronics represents the Magnavox, Odyssey, Sylvania and Philco brand names. The wide array of product offerings include tv sets, videocassette recorders and cameras, home videogames sold under the Odyssey 2 brand name, projection tv sets, the Magnavox and Sylvania Laser Vision videodisc players.

Philco and Sylvania home entertainment product organizations, which were recently acquired by NAP, were integrated with NAP's Magnavox subsidiary in order to reduce costs. New headquarters for the enlarged organization are in Knoxville, Tenn. In 1981, the newly-formed triumvirate introduced a new tv chassis design. The new design boasts fewer parts, permits assembly on more highly automated equipment and claims to deliver greater product reliability. The sales of these varied brand names boosted the company to the No. 3 spot in U.S. tv sales.

The three tv lines also introduced a rear-screen projection tv with a 50-in. diagonal screen in 1982. Although Magnavox, Philco and Sylvania integrated their technological efforts, brand-name differentiation exists, and advertising programs remain distinct. With color tv as its main product emphasis, the Magnavox division is continuing product advertising with Leonard Nimoy as spokesman.

The videogame sector continues to grow in the consumer electronics field, and Odyssey was no exception. According to NAP's annual report, more Odyssey 2 games were sold in 1981 than in all three of the previous years, making it No. 3 in the domestic market.

One successful game entry, however, K.C. Munchkin, has been withdrawn from sale pending the outcome of a lawsuit filed by Atari. The suit charges that K.C. Munchkin infringes on Atari's highly successful Pac-Man game, which is under license from Namco Ltd. New titles in the Odyssey 2 series include K.C.'s Krazy Chase, Freedom Fighters, Pick Axe Pete, Quest for the Rings and The Great Wall Street Fortune Hunt.

Odyssey 2 begins a new campaign this fall for its 50-plus videogames. The thrust will be to promote the Odyssey 2 alphanumeric keyboard, a unique feature in the videogame market. The theme "the keyboard is the key to greater game challenge," will be brought home to consumers by the Wizard of Odyssey, a character spokesperson. Media emphasis will be on network tv, print, co-op and trade publication advertising.

Sylvania plans to continue the theme of a Doyle Dane Bernbach-inspired campaign, now in its sixth year. The "best color picture" theme will be backed by a fourth quarter regional promotion tie-in with distributors. Game show, trade and co-op advertising will round out the mix.

Magnavox and Sylvania both carry the LaserVision optical videodisc player. A model introduced this year, Magnavox Model VC 8010 and Sylvania Model VP 7200, features random access infrared remote control.

The laser discs, which are manufactured primarily by Pioneer Electronics Corp. and also by 3M Company, feature more than 250 program titles in such categories as sports, musicals, concerts, kiddie programs, R-rated titles and special interactive programing discs which invite audience participation.

Philco is celebrating the 90th anniversary of its name this year in various promotions, including trade advertising and two limited edition anniversary models. The company also introduced a 30-day money-back guarantee on its color tv line, which ends Dec. 31, 1983.

Philips ECG Inc., acquired in Jan., 1981, as part of NAP's GTE tv set and related components business, is now the in-house supplier of picture, data display and receiving tubes to Magnavox, Philco and Sylvania.

Sales for Norelco personal care products and home appliances in 1981 paralleled 1980 sales, though earnings declined. Boxer Gerry Cooney and the New York Jets' Mark Gastineau became spokesmen for Norelco rotatract razors. The new theme, "Tough on your beard. Not on your face," is scheduled to run on tv in an attempt to reach the youth market. Prime time tv, network sports, late fringe and cable sports tv will run the 239 spots scheduled to air during the latter half of this year.

Norelco men's electric razors lead the category nationally. To further expand electric shaver usage, NAP bought the rights to the Schick name and trademark in the U.S. Plans are to reintroduce the Schick product line, which has not been a factor in the market in many years. However, Remington, NAP's chief American competitor, filed an antitrust suit to block Philips' use of the Schick name. Philips plans to "defend the suit vigorously," a company spokesperson said.

The Norelco Clean Air Machine, which debuted in 1980 and is now available in several models, leads that category. At the end of 1981, 1.5 million Norelco units had been sold. The new models include a Kitty Clean Air Machine, designed to keep the litter box area fresh, a baby's room clean air machine in a corresponding decor and a Car Clean Air Machine, introduced a year earlier.

Norelco has allocated its largest six-month advertising budget to date for a Clean Air Machine campaign by McCaffrey & McCall, which began in mid-'82. The commercials demonstrate the efficiency of clean air machines, and a new 30-second spot will focus on just the filter.

Additional advertising money is being channeled toward what Norelco calls its largest product introduction ever. The new Norelco Clean Water Machine will be supported by a media budget three times higher than that spent on the Clean Air Machine introductory campaign in the fall of 1980.

The freestanding unit with carafe will be positioned against the bottled water market. Tv advertising using animation begins Sept. 13.

Norelco's personal care product line was extended by two new products in 1981—the Norelco lighted mirror and the Norelco Hot Brush & Comb.

In the spring of 1982, Norelco introduced the new Chic collection of personal care products, consisting of 11 new products, including: Hair curling irons, curling brushes, hair dryers and style dryers, all in a rich burgundy color.

North American Philips Alliance Mfg. Co. subsidiary, marketer of Genie garage door openers, expanded its participation in the do-it-yourself market, a category that has aided garage door openers which have been hurt by the ailing housing industry. The do-it-yourself openers received increased advertising support. The campaign is highlighted by in store promotional material.

Other North American Philips divisions include NAP Lighting Corp., Anchor Brush Co., Baker, Knapp & Tubs Inc., a furniture marketer, Selmer Co., the country's leading supplier of band and orchestral instruments, and Carolina Coach Co., the third-largest regular route intercity bus carrier in the U.S.

Several major personnel changes took place at NAP in 1981. On Jan. 1, 1982, president Cees Bruynes also became chief executive officer, succeeding Pieter C. Vink, who will continue as chairman.

Edward L. Klein, vp-group executive, was elected exec vp. Mr. Klein is responsible for all electrical and electronic component operations.

Kenneth C. Meinken Jr., formerly president of NAP Consumer Electronics Corp., was elected exec vp with responsibility for all consumer products and services operations.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$1,384,300	$1,497,500
Magazines	7,181,800	3,894,400
Farm publications	229,800	—
Spot tv	4,375,400	4,839,100
Network tv	20,468,500	13,270,000
Network radio	459,000	—
Outdoor	54,100	15,600
Total measured	34,152,900	23,516,600
Unmeasured	49,728,500	44,998,193
Estimated total	83,881,500	68,514,793

NORTH AMERICAN PHILIPS CONSUMER ELECTRONICS CORP.

MARKETING PERSONNEL

Frank R. Lann, president
M.L. Jones, senior vp-mktg

Magnavox

K.C. Thompson, vp-genl mgr
Rita E. Hutner, vp-adv
W. Campbell, vp-natl sales mgr
R. Doyle, director-design
J. Proud, mktg director

Odyssey

D.M. Arganbright, vp-genl mgr
Gerald A. Michaelson, vp-mktg
Mike Staup, vp-prod development
Dick Omlor, mgr-admin
Bob Strickland, natl sales mgr

Sylvania

R.R. Stoltenberg, vp-genl mgr
G. Harrison, director-adv & sales promo
R. Marsiglio, mktg director
B. Anderson, director-design
H. Draper, vp-sales
H. Galliford, director-sales planning & admin

Philco

E.R. Policicchio, vp-genl mgr
A. Hershey, director-mktg
M. Ross, director-merch
J.T. O'Flynn, vp-sales
F. Pietrick, director-sales planning and admin

ADVERTISING AGENCIES

Campbell-Ewald, Warren, Mich.—Pete Dow, president; Ham Schirmer, group senior vp. Magnavox: Dick Eick, vp-acct super; George Back, vp-acct exec; Karen Baehr, acct exec. Odyssey: Frank Hoag, senior vp-acct super; John Wattles, acct exec.

Doyle Dane Bernbach, New York—Sylvania—Paul Paulson, president; Larry Iannazzelli, senior vp, mgmt super; Bob Stern, acct exec.

Infantino Corea Enterprises (ICE),

Rochester, N.Y.—Philco—Jerry Infantino, president; Roger Eibl, vp-acct super; Bob Stebich, acct exec.

Davis Newman Payne, Knoxville, Tenn.—Philco (local)—Jim Reed, acct exec.

NORELCO CONSUMER PRODUCTS DIVISION

MARKETING PERSONNEL

Richard Q. Kress, president
Patrick Dinley, vp-sales
J. Richard Gonzalez, vp-adv
Robert Beasley, genl mgr, personal care group
Patrick Campbell, genl mgr, appliance group
Carola Crowley, mgr, beauty care division
Gerry Carrino, mgr, kitchen appliance div

ADVERTISING AGENCIES

McCaffrey & McCall, New York—Norelco electric razors, personal care products, kitchen appliances, health care appliances—Bo Mitchell, vp-mgmt super; Ron Vavra, vp-acct super; Jim L'Heureux, acct exec.

Norton Simon Inc.

	1981	1980
Sales*	$3,191,898,000	3,012,772,000
Earnings	103,655,000	124,730,000
Advertising**	149,875,600	149,000,000

*Fiscal years ended June 30, 1981, and 1980
**AA estimate

Norton Simon Inc., New York, the 39th largest advertiser, increased its ad expenditures 0.6% to an estimated $149.9 million in fiscal 1981. While NSI's worldwide sales increased 5.9% to $3.19 billion, reflecting continued inflationary pressure, its net earnings dropped 16.8% to $103.6 million. Declines in NSI's vehicle rental and packaging segments offset strong earnings in its other businesses.

The company reported that its earnings decline "came as no surprise" because of the poor economic environment. To cushion itself against the volatile economy and to enable itself to grab investment opportunites, NSI has placed a high premium on liquidity: At the end of fiscal 1981, its working capital was over $882 million.

For the fiscal year ended June 30, 1982, NSI reported a 33% decline in income from continuing operations, at $66 million, down from $99.1 million a year ago.

Revenue from continuing operations for the fiscal year was $2.994 billion, compared with $2.993 billion in 1981. Net income for the 1982 fiscal year, including that of continuing operations was $107.7 million, up 4% from $103.6 million.

The 1982 figure includes $12.9 million from discontinued operations, and an extraordinary gain of $28.6 million from the extinguishment of debt.

The company's foods segment, despite a 1.3% drop in sales to $988 million, managed a slight earnings increase thanks to improvement in the tomato market upon which NSI depends heavily for its Hunt's tomato products. Strong performances from Orville Redenbacher's Gourmet Popping Corn and Manwich sloppy joe sauce, both market leaders, further buoyed the foods segment's earnings.

NSI's heaviest ad spending went to Wesson Oil—over $7.4 million in measured media support, channeled mostly to network and spot tv, according to Leading National Advertisers. That spending level was 18.1% higher than last year's. NSI's Hunt-Wesson Foods in February moved the Wesson Oil account from BBDO to Ketchum, San Francisco, in an effort to regain market share it had steadily lost for the past few years. In February, Wesson held a 20% share of the oil market, trailing Procter & Gamble's market-leading 25% share with Crisco. Wesson also went national with its new "easy grip" bottle after a successful test in the Southeast.

Orville Redenbacher's Gourmet Popping Corn got $5.1 million in measured media support, all to network and spot tv, as the popcorn kept its market lead with record-high volumes. Also in fiscal '81, NSI rolled national with Orville Redenbacher's Gourmet Buttery Flavor Popping Oil, backed by $1.5 million in measured media support, again all to tv.

NSI kept up its heavy backing of Manwich sloppy joe sauce, another market leader, with $4.3 million in measured media support, $2.77 million of which went to network tv, with the remainder spread over spot tv, magazines and newspaper supplements. Manwich remained the No. 1 sloppy joe product.

NSI's light oil entry, Sunlite, a 100% sunflower oil, got almost $3.4 million in measured media support, most of it in network tv. Earlier this year, Sunlite was running neck-and-neck with, but slowly gaining on, its direct competitor, P&G's Puritan. The two oils had a combined share of 11% to 12% of the cooking oil market.

Hunt's tomato sauce and tomato paste maintained their No. 1 positions in the market with combined measured media support of over $3.5 million. Spot tv took all the tomato paste advertising, while sauce ads ran mainly on network tv. NSI continued testing ad campaigns aimed at promoting Hunt's tomato products as a whole rather than individually.

Things weren't as rosy in fiscal 1981 for NSI's vehicle rental segment where earnings dropped nearly 50% despite a 7.5% sales jump to $872.8 million. Avis, NSI's car rental arm, blamed the skid on low volumes stemming from the sorry economic state and the decrease in leisure and business air travel. Airline travel, the source of 75% of Avis' domestic volume, declined in fiscal 1981 for the first time in 20 years. This year's fourth quarter operating profits fell 60%, and the total decline for the fiscal year was 33%.

Avis Rent A Car System received $7.2 million in measured media support in 1981. In May, Avis launched a new ad campaign via McCaffrey & McCall, successor to BBDO, featuring as Avis spokesman David Mahoney, chairman-chief executive officer and chairman of Avis. The $17 million campaign, themed "Trying harder makes Avis second to none," introduced new guaranteed rates and unlimited mileage policies used at corporately owned rental centers and by participating licensees. A group of franchises jumped the ad strategy ship in April and

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moved their $6 million account to Bozell & Jacobs.

During 1981, the company completed arrangements to lease from trusts virtually all of the vehicles in its ailing domestic car rental business and negotiated similar arrangements for vehicles in several overseas operations, a move aimed at reducing the capital invested in rental vehicles in order to limit the risk of losses. Similar leasing arrangements are expected in 1982.

NSI's cosmetics and fashion segment registered a 15.3% sales jump in fiscal 1981 to $617.6 million. Cosmetics and fashion had the biggest profits increase of all NSI's segments as its earnings more than doubled from 1980 to '81. Max Factor & Co.'s Epris fragrance, endorsed in its ads by ex-"Charlie's Angels" actress Jaclyn Smith, got over $5.9 million in measured media support, $4.5 million going to network tv. Epris surpassed NSI's original projections at both sell-in and sell-through levels after its introduction in 1981.

The Maxi cosmetics line, supported by a program of consumer couponing, spot tv commercials and national print ads, extended its line of popular-price products with nine more makeup items in 1982. In 1981, Maxi mascara received the most support of any product in that line with $1.2 million, most going to magazines.

The segment focused two marketing efforts on a pair of skin treatment lines geared for diverse market segments. In the premium-price category, Max Factor introduced three new products—Very Gentle Eye Makeup Remover Gel, Emergency Blemish Stick and Oil Control Skin Primer—to its Living Proof Skincare System line that sells in selected department and specialty stores. For the medium-price, mass-market category, NSI gave continuing support to its Skin Principle Skin Support System.

Max Factor also entered the women's designer fragrances market in 1982. Missoni perfume rolled out into selected department and specialty stores throughout the U.S. and internationally, supported by a heavy campaign of print ads in national women's magazines, some city and regional magazines and major-market newspapers. Several product line extensions from Max Factor were backed by an umbrella ad theme that asked, "Don't you love being a woman?"

Halston Fragrances' Halston Night perfume, introduced to upper-end markets in early 1981, received $543,000 in measured media support.

McCall's sewing patterns got $524,100 in measured media support. McCall's made what the company called "significant" share gains after beginning a marketing drive targeted toward special segments of the home sewing market.

Sales of NSI's beverages segment increased 3.5% to $430.2 million in 1981. The segment posted a slight earnings increase on the performances of Canada Dry Corp. and Somerset Importers. But in March, 1982, NSI sold Canada Dry to Dr Pepper Co. for $143 million, leaving its beverages segment dealing only in those of the alcoholic variety. Somerset Importers' Johnnie Walker Red Label scotch received $5.1 million in measured media support, nearly all of which went to magazines. Johnnie Walker Black Label scotch got $3.8 million in measured media support, and NSI backed Tanqueray gin with $3.5 million.

Somerset Wine Co. narrowed and reconfigured its product line to maintain a strong market position in basic consumption areas. The company planned to focus on the California wine business, while increasing its force in French and Italian wines. In French wines, Somerset increased case sales and market share. The company said it intended to maintain its current French market position with concentration on the finest classified growths and a balance of midprice wines. Somerset Wine gained position in the Italian wine market, working with Cantina Settesoli.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$9,925,500	$5,461,800
Magazines	21,486,000	17,278,100
Spot tv	9,013,300	19,870,900
Network tv	28,660,400	26,734,800
Spot radio	1,001,200	1,343,400
Network radio	1,055,500	321,400
Outdoor	2,515,100	2,254,800
Total measured	73,652,000	73,264,200
Unmeasured	76,223,600	75,735,800
Estimated total	149,875,600	149,000,000

NORTON SIMON INC.

MARKETING PERSONNEL

Joseph W. Daly, director-media

AVIS INC.

MARKETING PERSONNEL

Albert W. Dold, corporate vp-mktg
George E. Mead, vp-adv-rent a car
Robert F. McNamara, vp-sales and mktg-rent a car
Edward Zilnicki, director-mktg-rent a car
Lawrence D. Mazur, vp-mktg-car leasing
Tom Swartele, vp-mktg-Europe

ADVERTISING AGENCY

McCaffrey & McCall, New York—U.S. rent a car—Margaret G. Wasley, exec vp; Bo Mitchell, senior vp-mgmt super; Samuel Fertig, vp-acct super.

HUNT-WESSON FOODS

MARKETING PERSONNEL

Frederick B. Rentschler, president-ceo
Albert J. Crosson, exec vp
James F. Frawley, vp-consumer mktg
Robert E. Williams, vp
David J. Hopwood, vp-food service sales and mktg
Robert S. Beattie, director-mktg rsch
Clifford A. Brennan, mktg director, tomato products
Dale Hardner, director-mkt devel
Larry D. Langford, mktg director-oil products
James M. Myers, mktg director-convenience foods
Joseph E. Potocki, director-merch services

ADVERTISING AGENCIES

Ketchum Advertising, San Francisco—Hunt's tomato sauce, Hunt's tomato paste, Hunt's tomato ketchup, Hunt's Prima Salsa spaghetti sauce, Hunt's Manwich sandwich sauce, Hunt's Meatloaf fixin's, Big John's Beans 'n' Fixin's, Orville Redenbacher's Gourmet Popping Corn, Orville Redenbacher's Gourmet Buttery Flavor Popping Oil, Wesson Buttery Flavor Oil, Wesson Oil, Hunt's Snack Pack, Snowdrift shortening—Robert Kroyer, mgmt super; Dan Odishoo, mgmt super (Wesson).

BBDO/West—Pfeiffer Salad Dressings, New Products—Joseph Barrett, exec vp.

Dailey & Associates, Los Angeles—Sunlite oil, Hunt's Wip—Steve Chabre, acct mgr.

SOMERSET IMPORTERS LTD.

MARKETING PERSONNEL

John E. Heilmann, president-ceo
F.J. Cirona, senior vp-finance & admin
N.L. Bianchini, senior vp-wines
R.F. Vreeland, senior vp-director of mktg
V.S. Machi, vp-mktg & sales service
R.W. Slone, vp-group mktg director
E. Feldman, vp-group mktg director
R.J. Wonsik, vp-group mktg director
A.M. Friedman, vp-director of creative services
F.A. Muller, brand mgr
A.J. Palmisano, brand mgr
J.S. Glover, brand mgr
A.J. Wagner, brand mgr
C.E. Albert, brand mgr
P.M. Cartolano, director of mktg and sales admin

SOMERSET WINE CO.

MARKETING PERSONNEL

Neil L. Bianchini, senior vp-genl mgr
Alex T. Sgoutas, vp-mktg
Richard J. Claflin,vp-sales
Perry Kozlow, asst natl sales mgr
Linda J. Sichel, director mktg-imported wines
Steve Cousins, director mktg-American wines
Marilyn Hamburg, mktg services super
Brian Mom, San Martin pr mgr

ADVERTISING AGENCIES

Smith/Greenland, New York—Johnnie Walker Red Label scotch, Johnnie Walker Black Label scotch, John Begg Blue Cap & Gold Cap scotch, Tanqueray gin, Pimm's Cup, Hine Cognac, Old Fitzgerald, W.L. Weller, Weller 107, Cabin Still and Rebel Yell bourbons, Crawford's scotch, Canada Dry gin and Canada Dry bourbon—Murray Platte, exec vp-mgmt super, Henry Wenthen, senior vp-acct super, Keith Jackson, Samuel Borwick, Elizabeth Lee, acct execs.

Dancer Fitzgerald Sample, New York—Michael Donahue, senior vp-mgmt super, Joseph Scutero, acct super, Joanne Matejov, acct exec.

MAX FACTOR & CO.

MARKETING PERSONNEL

Michael Darling, exec vp, worldwide mktg
Red Weiss, exec vp-mktg and development worldwide
Jane Lewis, senior vp-creative services
Carol Leslie, vp-creative director
Stewart Brown, vp-adv director
Al Bistany, exec vp-U.S. sales

ADVERTISING AGENCY

Wells, Rich, Greene, New York—Max Factor & Co.—Martin Stern, exec vp-mgmt group head; Jack Valente, planning group head; Thomas Heck, senior vp-creative group head; Nancy Vaughn, senior vp-creative group head; Linda Baron, acct exec.

HALSTON ENTERPRISES

MARKETING PERSONNEL

Michael Lichtenstein, mng director
Michael Pellegrino, mktg director

HALSTON FRAGRANCES

MARKETING PERSONNEL

Tom Knowles, exec vp-genl mgr
Arnold E. Pachtinger, senior vp-sales
Jane D. Terker, vp-mktg
Paul Wilmot, vp-sales promo

ORLANE INC.

MARKETING PERSONNEL

Richard Granger, exec vp-genl mgr
Simone Hoffman, vp-mktg
John W. Chavers, senior vp-sales
Joseph R. Messina, vp-creative services

ADVERTISING AGENCY

Benton & Bowles, Paris—Marie Christine Fouche, acct super.

McCALL PATTERN CO.

MARKETING PERSONNEL

Robert Hermann, senior vp
Judy Raymond, vp-adv and promo services
Richard Rogers, vp-genl merch mgr

ADVERTISING AGENCY

Inhouse—Judy Raymond, vp; Pat Micciche, adv mgr; Tony DeVino, art director.

Noxell Corp.

	1981	1980
Sales	$233,112,000	$204,160,000
Earnings	16,864,000	14,699,000
Advertising*	41,082,100	41,318,600

*AA estimate

Noxell Corp., Baltimore, the 96th largest national advertiser, decreased its advertising expenditures 0.5%, to an estimated $41.1 million in 1981, from $41.3 million in 1980.

The company, which markets popular-price cosmetics, skin creams and household products under brand names including Noxzema, Cover Girl, RainTree and Lestoil, had a sales increase of 14%, to $233.1 million. Earnings were up 15% to $16.9 million.

Noxell said one-half of its dollar growth came from volume increases and the remainder from higher prices and shifts in the company's product mix. The company is also experiencing growth in international markets and is looking to that area for more growth in the future. Cover Girl cosmetics were introduced on a test basis in France in 1981, and expansion into Latin America is planned.

Noxell made several changes in its ad agency lineup last year, eliminating Foote, Cone & Belding and Scali, McCabe, Sloves from its roster. FCB had Lestoil and new products, while Scali gave up new products and RainTree. Backer & Spielvogel was the big winner, picking up Lestoil and RainTree lines as well as some new products work.

The cosmetics division accounted for 47% of Noxell's net sales. Cover Girl products sales were up a total of 20% in 1981. The Cover Girl line of facial makeups showed the fastest growth, the company said.

Spending for Cover Girl makeup was down slightly last year to $6.5 million from $6.9 million the previous year. Most of the spending was in network tv.

One Cover Girl product group that got a boost in ad spending was mascara, with a 5.2% increase to $8.1 million from $7.7 million, mostly in network tv. Cover Girl mascara is second to Maybelline in mass merchandise, food and drug outlets with an 18.4% market share.

Cover Girl NailSlicks, which got a big chunk of the budget with $3.7 million in advertising, is said by the company to be the leader among nail polishes sold in food and mass merchandise outlets. In mass merchandise stores, NailSlicks has a 15.1% unit share; in food stores 22.9%, and in drugstores, where Revlon is the leader with 26.8%, Cover Girl has 7.1%. The share for three-outlet sales for Cover Girl is 11.5% in the nail polish category.

Products in the Cover Girl line introduced in 1981 included LipBlush, a thin, lightly colored high-gloss product, BlushMates, Cream-on-Blush, with a sponge applicator, and Conditioning Eye Make-up Remover.

Model Kelly Emberg was added to the lineup of Cheryl Tiegs and Christie Brinkley, who appear as spokeswomen for Cover Girl products. In addition, the Cover Girl line was repackaged to give it a uniform identity, the company said.

The Moisture Wear line of cosmetics, designed for an older consumer than the Cover Girl user, got an ad spending boost of 41% to $3.1 million from $2.2 million. The line was also repackaged to give it a more sophisticated, upscale image, and actress Erin Gray was signed as spokeswoman. Ad spending was divided between network tv and magazines.

In the toiletries category, which contributed 28% of the company's revenues, sales were up 13% from 1980. Noxzema, the flagship brand for Noxell, received two different ad strategies, designed for two groups of consumers. Mariel Hemingway promoted the cleansing benefits of the skin cream to teen agers, while Meredith Baxter Birney was the spokeswoman for the older segment of the market, addressing the moisturizing properties of Noxzema.

Noxzema has a 22% share in the skin cleanser market. Total ad support for the skin cream decreased again this year, down 9% to $5.2 million, mostly in network tv.

Noxell now claims it has a total skincare line, led by Noxzema. Other products in the line are Noxzema Antiseptic Skin Cleanser and Noxzema 12-Hour Acne Medicine, which went national in June, 1981. In addition, the company began testing Noxzema Continuous Protection moisturizer in September, 1981.

Ad spending for Antiseptic Skin Cleanser was down slightly to $1.2 million from $1.4 million the previous year. The launch of Noxzema 12-Hour Acne Medicine got about $1 million in measured media for the last six months of the year, mostly in network and spot tv. At the time it was launched nationally, the product was slated for $3 million a year in advertising.

The acne preparation is advertised as having a 12-hour formula as well as a special skin softener that fights against flaking, scaling and overdrying. The product contains 10% benzoyl peroxide. In trade materials at the time of the launch, Noxell said the product obtained an average market share of 14% in test markets.

Noxell continued to expand its RainTree line in 1981 when it went national with RainTree hand and body lotion, a line extension to its RainTree moisturizer. The new product was backed by about $2 million in tv advertising. RainTree Moisturizing lotion and cream got $2.4 million in advertising support. After the death late in 1981 of its spokeswoman, actress Natalie Wood, Noxell pulled the commercials from the air.

RainTree is No. 2 in the mass-distributed moisturizer segment, but with its 4% market share, it is far behind No. 1, Oil of Olay, which has 40% of the market.

Noxzema shaving cream maintained its 13% share of market. The company said it introduced a "new protectant formula" with a lubricating agent, dimethicone. Measured media spending for the shaving cream was $1.6 million, and the company also said it made buys on male-oriented cable tv programing.

Noxell acknowledged a flat performance in the household products category where it markets Lestoil heavy-duty cleaner and Lestoil deodorizing rug shampoo.

An agency change and new trade programs were two steps the company said it took to improve performance.

Household product sales were about 7% of net sales. Lestoil was backed by $1.4 million, mostly in spot tv. The rug shampoo, which the company was not successful in expanding outside of its eastern marketing area, got about $465,000 in magazine advertising.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$11,800	$103,100

Magazines	9,936,300	8,997,700
Spot tv	3,688,800	2,959,800
Network tv	25,948,800	28,092,700
Spot radio	85,300	39,900
Network radio	294,100	—
Total measured	39,963,100	40,193,200
Unmeasured	1,119,000	1,125,400
Estimated total	41,082,100	41,318,600

MARKETING PERSONNEL

George L. Bunting Jr., president
Marvin L. Hathaway, exec vp-domestic
R.G. Duke, vp-toiletry/household prods mktg
F.J. Harrison, vp-cosmetic prods mktg
P.M. Troup, mktg director
R.H. Yeager, E.M. McNamara, M. Bowers, C.J. Busta, group prod mgrs
E.H. Levering, vp-sales
D.J. Gallow, director-mktg research

ADVERTISING AGENCIES

SSC&B, New York—Noxzema skin cream, Cover Girl prods, new prods—Spencer Plavoukos, F. Stone Roberts, exec vps; Paul La Stayo, senior vp-toiletries; William F. Abrams, senior vp-cosmetics; George Bauerschmidt, Ann Hughes, vp-acct supers, cosmetics; Beth Green, Donna Squilla, David Sparks, vp-acct supers, cosmetics; Susan Exum, acct super; Lauren Goodman, Paula Alex, acct execs, Holly Macaulay, asst acct execs.

Backer & Spielvogel, New York—Lestoil, RainTree prods, new prods—Randy Lindel, director of acct services; Alice Bond, acct director; Denise Durvett, acct exec.

William Esty Co., New York—Noxzema shave cream, new prods—Richard Van den Bosch, senior vp-mgmt super; Steve Moynahan, vp-mgmt super; Joe Kensil, acct exec.

J.C. Penney Co.

	1981	1980
Sales*	$11,860,000,000	$11,353,000,000
Earnings*	387,000,000	268,000,000†
Advertising**	208,600,000	188,000,000

*Worldwide
**AA estimate
†Restated

J.C. Penney Co., New York, the nation's third largest retailer, increased its ad spending 11% to $208 million in 1981, to become the 18th largest U.S. advertiser.

Penney's advertising expense for newspapers, television, radio and other media worldwide for 1981 was $302 million, excluding catalog preparation and distribution costs.

AA figures do not include retail advertising for individual stores, although expenditures for preprint newspaper advertising have been included in AA's estimate of unmeasured spending. The 1981 figure represents about a 12% increase over the $270 million spent in 1980.

In 1981, sales of $11.9 billion represented an increase of 4.5% over the $11.4 billion in sales reported for 1980. Income from continuing operations was $387 million, a whopping 44.1% increase over 1980's figure of $268 million.

Full line store sales were $7.9 billion, up 8.5% from $7.2 billion in 1980. Soft line store sales were down slightly, to $2.38 billion in 1981 from $2.39 billion in 1980. The number of full line stores increased once again in 1981 to 597 compared with 552 in 1980.

Full line and soft line stores' profit increased in 1981 over the 1980 level due to increased sales, improved gross margin, and tight expense control. Profits for soft line stores had decreased from 1979 to 1980, due to lower sales.

A total of 1,065 soft line stores were in operation at the end of 1981 compared with 1,120 in 1980. The number of soft line stores has declined for the third year in a row.

The plight of small town soft line stores is illustrated by the closing of J.C. Penney store #0500-9 in Hamilton, Mo. James Cash Penney started his retailing career in Hamilton at the turn of the century working at the J.M. Hale Dry Goods store. Not wishing to go into competition with his first employer, Mr. Penney did not open a store in Hamilton until after Mr. Hale retired in 1924.

The town's 1,582 residents see the closing on June 6, 1981, as a case of "corporate betrayal," claiming that the New York-based headquarters have forgotten the rural Missouri roots of its founder. "There's still a strong feeling here that it was never Mr. Penney's idea to close this store while there was still a J.C. Penney chain," said Paul McCoy, secretary-treasurer of the Hamilton Chamber of Commerce and a guide at the J.C. Penney Memorial Library in town.

However, shopping malls have eroded the business in most small towns and Hamilton is no exception. The store had not shown a profit for the last several years.

Catalog sales rose 7.9% to $1.68 billion in 1980, surpassing last year's record $1.54 billion. Of that total, $1.23 billion was derived from catalog centers in stores, with mail order and outlet stores accounting for the remaining $407 million.

Increased emphasis on fashion items and a special sweepstakes promotion have been credited with the catalog sales gain. On the first page of the book, Penney informed readers that entry in the $500,000 sweepstakes was automatic for any customer who made a purchase from the catalog between late August and late December.

Another innovative promotion in the form of cents-off coupons developed by the Couponing Group Ltd., New York, was inaugurated in Penney's 1981 fall/winter catalog. Coupons were sold by the Couponing Group to package goods, health & beauty aids and household companies.

Drugstore sales, operating as Thrift Drug or the Treasury Drug Center, rose 7% to $507 million from $474 million in 1980. During 1981, 12 stores opened and 30 stores closed. At year's end, 343 drugstores were in operation. Profits were about the same as in the prior year, despite the cost of closing stores in certain markets.

J.C. Penney Financial Services, the insurance arm of the retailer, reported net income of $29 million in 1981, up from $28 million in 1980. Insurance centers were opened in 31 stores in 1981. By year's end, instore centers were operating in 98 J.C. Penney stores in 13 markets.

In an effort to keep its insurance sales closely associated with the Penney name, the company announced in 1981 that it is seeking a buyer for Great American Reserve Insurance Co. J.C. Penney Financial Services sells a variety of insurance in three ways: Through its stores, through direct marketing via mail and telephone and through 300 agents in 17 branch offices.

It often was possible for consumers to buy insurance from Great American Reserve and

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See page 125

LNA

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never realize the company was owned by Penney. The decision to sell means the company has decided to concentrate on direct response and the store operation through the other two companies.

A combination of elements contributed to the company's 1981 performance. Gross margin rose to 31.7% from 29.4% in the prior year as a result of higher markup and significantly lower LIFO (last-in first-out inventory valuation method) provisions, which more than offset increased markdowns.

Two factors were of particular significance.

First, and most importantly, was the successful implementation of Penney's strategy to place increased emphasis on higher taste level apparel and soft home furnishings, which provide higher markup.

Second was the decline in inflation in the soft goods category of general merchandise to 4.0% from 5.8% in 1980.

J.C. Penney's capital expenditures budget for 1982 approximates $325 million. Virtually all of the increase over the 1981 budget of $208 million represents funds allocated to modernize existing stores.

As part of this modernization, the company will be devoting a greater proportion of selling space to women's apparel and accessories, menswear, children's wear, home furnishings and leisure merchandise—all areas of traditional strength for the company.

In new stores, soft goods will comprise 70% of selling space, compared with 60% in older stores.

This strategy is designed to appeal to shoppers in suburban malls, who are believed to be more interested in what are called "ego-intensive" goods than in merchandise such as washing machines.

Some observers foresee the day when Penney's may drop some hard lines altogether. "They may get out of the durable business in the next five years," says Walter Loeb, retail analyst with Morgan Stanley & Co., New York. "You don't associate Penney's with refrigerators."

Women's apparel and accessories is the largest of the six merchandise divisions, followed by menswear, children's wear, leisure and automotive equipment, home furnishings and home improvement items. The company promotes a number of its own brands in the apparel area, among them the Fox, Track and Court and Hunt Club for action wear and the U.S.A. Olympic running shoes.

The most heavily advertised product areas in all media for 1981 are as follows: $6.6 million for women's apparel; $1.5 million for women's intimate apparel; $2.1 million for women's sportswear; $1.9 million for men's sport shirts and apparel; $3.8 million for men's sportswear; $3.8 million for family sportswear; $1 million for children's sportswear; $4.2 million for J.C. Penney auto accessories, tires and car insurance, and $2.4 million for Penney's home entertainment center.

ADVERTISING EXPENDITURES

	1981	1980
Magazines	$8,880,300	$5,084,100
Spot tv	12,954,500	14,648,500
Network tv	25,555,900	18,579,100
Spot radio	353,900	151,900
Network radio	85,800	322,900
Outdoor	111,100	107,500
Total measured	47,941,500	38,894,000
Unmeasured	160,658,500	149,106,000
Estimated total	208,600,000	188,000,000

MARKETING PERSONNEL

Howard Evens, senior vp-director, corp mktg
Lou Bremer, mgr-mktg communications
John Lucas, mgr-adv
Jim Boynton, mgr-media services
Bob Allen, mgr-sales plans
Karen Rosenman, mgr-merch publicity
Bob Jung, mktg publications coordinator
Tom Jewell, mgr-visual merch
Dean Clopton, mgr-presentation
Mal Bliss, mgr-packaging and labeling
Bill Speer, mgr-store devel
Sid Stein, mgr-mkt rsch & plans services

ADVERTISING AGENCIES

McCaffrey & McCall, New York—natl adv—William Viesner, senior vp, group acct super; Jim L'Heureux, acct exec.

Wells, Rich, Greene, New York—J.C. Penney Financial Services—Ken Olshan, chairman U.S.A.; Mike Temaris, vp mgmt super.

PepsiCo Inc.

	1981	1980
Sales	$7,027,443,000	$5,975,220,00*
Earnings**	333,456,000*	291,572,000*
Advertising†	260,000,000	233,400,000

*Restated
**Income before extraordinary charge
†AA estimate

PepsiCo Inc., Purchase, N.Y., the nation's 14th largest advertiser, increased U.S. advertising 11.4% to an estimated $260 million.

The company spent $376.5 million in advertising worldwide in 1981, up 5.1% from 1980. Advertising accounts for about half of the company's total marketing budget. In 1981, Pepsi increased marketing expenditures about 25% worldwide, including a 71% hike in spending for the foodservice division. PepsiCo reduced its spending on network and spot tv 4% in 1981, down to $139.6 million, after increasing it 22% in 1980.

For the first six months, Pepsi reported earnings of $159.8 million, a 14% increase over the previous year. Sales rose 8% to $3.37 billion.

PepsiCo's growth in the 1980s is expected to come from increased beverage distribution outside food stores, expanded new product activity in snack foods and restaurants and an increased presence in foreign markets for beverages. According to Gerald J. Fischer, PepsiCo vp-corporate development, the company is experiencing a slowdown in traditional grocery outlets and is aggressively looking for other distribution channels for its soft drinks to fuel growth.

The best expansion hope appears to be in both drug and mass merchandisers, as sales in these outlets ran about 30% higher in 1981 than in the previous year. Other key growth areas will be in fountain and vending sales.

Earlier this year, company executives said marketing expenditures for 1982 will depend on the economy and how much money is needed to encourage consumers.

PepsiCo's net earnings rose 14% to $333.5 million in 1981, compared with a 10% increase in 1980. The company reported sales slightly exceeding the $7 billion mark, increasing by 18%.

Pizza Hut
Pizza Hut

Mary Herlehy

Pan pizza has been credited with helping PepsiCo's Pizza Hut to make a rebound.

These comparisons exclude the impact of the extraordinary charge in 1980 for the writeoff of motor car carrier operating rights. A change to last-in, first-out (LIFO) accounting for certain domestic inventories reduced net income in 1981 by $4.6 billion, or 5 cents a share. Before this adjustment, income was up 16% in 1981.

Pepsi-Cola's 1981 soft drink market share, according to an April, 1982, *Beverage Industry* report, was 18.3%, up from 1980's 18% share. Major rival Coca-Cola remained in the lead in 1981 with a 24.2% share, down slightly from 1980's 24.3%.

The foodservice division made substantial gains in 1981. Revenues at $1.07 billion increased 23% from the fiscal year ending in December, compared with a 17% increase in 1980. These figures reflect Pepsi's effort to increase store sales, which were up 18% in 1981, following a 21% increase in 1980.

Food products were also up 19% in revenues in 1981, following a 21% increase in 1980. Price increases along with volume growth contributed to improved profits here and abroad in 1980 and 1981, with performance in Mexico particularly strong. Company executives report foreign operating profits are beating domestic ones. PepsiCo is planning to expand overseas with more bottling franchises, and broad snack food penetration is expected in international markets by the end of 1982.

Approximately 76% of PepsiCo International's volume came from its franchise operation, which sells soft drink concentrate to franchised bottlers. The remainder came from United Beverage International (UBI), the company-owned, 11-country flagship bottling system. Total case sales rose 2.5%, down from an 8% growth in 1980. A sluggish worldwide economy was seen as a contributing factor in slowing sales.

According to Leading National Advertisers, measured media expenditures for Pepsi-Cola alone, the company's most heavily promoted soft drink, totaled $23.7 million in 1981. During the year, the company aired six commercials in the "Catch that Pepsi Spirit" campaign, on the air since February, 1981.

The Pepsi Challenge campaign is credited with giving Pepsi a lead over Coca-Cola in sales through certain types of outlets.

For 1982, Pepsi has dropped "Catch that Pepsi Spirit" in favor of "Pepsi's got your taste for life." The theme supplements Challenge on network tv and focuses more closely on taste than previous efforts. Instant winner consumer promotions and collectibie bottle cap games complement ad strategies.

Diet Pepsi is the company's second most-advertised soft drink brand, with a measured media ad budget of $12.1 million. The brand climbed a notch in the industry from No. 9 in 1980 to No. 8 in 1981. "Now you see it, now you don't," a new theme, included three versions in its first year. The jingle, sung by Joanie Sommers, was considered by some experts the most outstanding element of the three campaigns for Pepsi-Cola, Diet Pepsi and Pepsi Light. Company executives reported the highly stylized new commercials focused attention on the brand, which experienced the best sales for January and February in a number of years.

Pepsi Light, which moved from low calorie to sugar free in 1979, spent $5.1 million in advertising in 1981, off from $5.6 million in 1980. Despite the decrease in spending, the brand moved from 0.4% market share in 1980 to 0.5% in 1981. The "Lookin' light, lookin' Pepsi Light" campaign with actress Lauren Hutton included two tv spots in 1981.

Mountain Dew advanced from No. 7 to No. 6 in industry ranking in 1981. The drink remains the company's third most heavily advertised soft drink. Volume rose to the 179 million case level, an increase of 5.9% over 1980. The ad budget for 1981 totaled $10.9 million, up slightly from $10.8 million in 1980. Market share remained at 2.9%, same as in 1980. "Give me a Dew," the theme line from the brand's ad campaign, and the jingle that accompanies it, play important roles in the over-all campaign, which centers on the healthy activities of the young.

Aspen, Pepsi-Cola's apple-flavored soft drink, which debuted in 1979, will continue to be marketed in Los Angeles, where, the company says, it is doing reasonably well. The drink has been dropped from Denver and Philadelphia because of poor results. Media expenditures for 1981 were a modest $400,000. Teem's market share dropped to 0.2%, from 1981's 0.3%. Its ad budget was $60,800.

Food products, consisting of Frito-Lay and PepsiCo Foods International, had sales of $2.2 billion in 1981. Frito-Lay, PepsiCo's largest profit contributor, achieved its 13th consecutive year of record earnings. In the $14 billion snack food market, Frito-Lay registered a 20% sales increase to $1.8 billion. Frito-Lay's six leading national brands had retail sales of more than $100 million each.

The largest brands are Doritos, Lays and Ruffles potato chips, Chee-tos cheese-flavored snacks, Tostitos and Doritos tortilla chips and Fritos corn chips. Fritos is celebrating its 50th anniversary this year with ads themed, "They wouldn't have lasted for 50 years if they didn't taste so good." New ads for Lays potato chips focus on quality.

New line extensions introduced nationally in 1981 for Frito-Lay are Chee-tos cheese balls, Lays zesty cheese-flavored potato chips and Ruffles bacon and sour cream-flavored potato chips.

Test marketed in 1981 were Chee-tos bacon and cheddar-flavored cheese snacks and Bakenets hot and spicy fried pork skins. New product activity for 1982 includes the national rollout of Frito Light and Doritos Crispy Lights, as well as expansion of Tiffles crispy corn chips and Ta-Tos potato chips.

Tostitos recorded sales of $165 million in 1981. Measured media expenditures were $8.5 million for the brand in 1981.

PepsiCo attributes part of the growth success to its Total Snack Program. Themed "Good things to know about good things to eat," the print campaign relates nutritional information in an extension of the information labeling Frito-Lay began two years ago.

GrandMa's brand single-serve cookies and snack bars, acquired by PepsiCo in 1980, had measured media expenditures of $535,300, down from 1980's $736,200. Total sales exceeded $30 million. Frito-Lay is testing GrandMa's bagged cookies.

Though the foodservice division, which comprises Pizza Hut, Taco Bell and PepsiCo Food Service International, will not see major expansion until 1983, it tallied operating profits of $82 million in 1981, up 37.6% from the previous year. Improved earnings at Pizza Hut and Taco Bell stemmed from volume and price increases, as well as favorable ingredient costs. Though Taco Bell and Pizza Hut outpaced the restaurant industry in 1981, the company is hoping to increase per unit sales before building a significant number of new restaurants.

Pizza Hut closed about 100 unprofitable restaurants in 1981. Both Pizza Hut and Taco Bell have some of the highest ratios of company-owned versus franchised stores in the restaurant industry. Donald Smith, president of the foodservice division, said both chains will push franchising as a method of increasing revenues. With a combined total of more than 5,300 units, 50% of Pizza Hut stores are owned by Pepsi, as are 48% of Taco Bell units. Plans call for 25 of the 75 new Pizza Huts to be company owned and 70 of the 160 new Taco Bell stores are slated to be company owned. Total per store sales growth for Pizza Hut was 24% in 1981, the highest one-year increase in the company's history.

Ad expenditures for 1981 were $24.2 million and spending in 1982 is estimated at $50 million, more than twice what the chain spent in 1980 and 1981. The bulk of this is scheduled to go to spot and network tv, which in 1981 had a combined media expenditure of $24.1 million. New tv spots are targeting the take-out market, traditionally a weak spot for Pizza Hut. The chain cut couponing by more than half its 1980 rate. Value-added coupons are expected to take a greater share of the promotional budget.

Pan pizza has been credited with the company's sales turnaround. The chain hopes to keep up sales momentum by introducing a quick-cooking pizza product and other new products geared toward the lunch market.

Like Pizza Hut, Taco Bell has emphasized upgrading its facilities. Addition of drive-through windows caused sales to jump about 20% in 1981 and more will be phased in this year. More effort is also being centered on training and service.

Measured media advertising for Taco Bell ran $10.4 million in 1981, up 24% from $8.4 million in 1980. The bulk of the spending went to spot tv, leaving $5 million for outdoor.

In March, PepsiCo acquired San Francisco Boulangerie, a retail bakery chain specializing in original San Francisco sourdough and other variety breads. The company plans to open from eight to 12 new locations in northern California by the end of the year. Lynch & Rockey, San Francisco, is the chain's first agency.

Wilson Sporting Goods concluded the third straight year of earnings improvement, reversing the trend of the late '70s. Sales rose to $277 million, up 20% from 1980, while operating profits increased by 28%. Advertising strategy shifted, placing more emphasis on the competitive spirit, in addition to product features. Leo Burnett U.S.A.'s "ProStaff introduces Orange Aid" inaugurated the introduction of orange balls in golf. Wilson intends to stress its strong acceptance with its "Brand of pros" theme.

Of PepsiCo's two transportation companies, North American Van Lines and Lee Way Motor Freight, the former passed the $500 million mark in annual revenues in December, 1981, and completed the year with a $510 million total. Despite the intense competition of the first full year of deregulation in the trucking and moving industries, aggressive pricing, expansion into new markets and new marketing programs helped the company achieve this record. The household goods division registered a record year in 1981 in both shipments and revenues, which totaled $197.5 million. The division opened the year with a consumer promotion, the moving industry's first sweepstakes.

North American's commercial transport division entered a number of new markets, which contributed to a volume increase of 9.3% for the division.

Lee Way Motor Freight, however, experienced a loss in 1981. Declining industry volume produced widespread industry discounting.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$2,712,100	1,843,400
Magazines	3,610,300	2,865,500
Spot tv	69,767,500	57,949,500
Network tv	68,788,100	88,822,100
Spot radio	11,416,600	8,649,600
Outdoor	924,500	738,800
Total measured	157,219,100	160,868,900
Unmeasured	102,780,900	72,531,100
Estimated total	260,000,000	233,400,000

PEPSI-COLA CO.

MARKETING PERSONNEL

John Sculley, president-ceo
John Pingel, exec vp-sales and mktg
Robert Sander, senior vp-sales
Larry Higby, vp-mktg
Norman Sylvester, vp-adv
Joseph Block, vp-consumer mktg programs
Henry Hayes, media director

Pepsi-Cola Bottling Group

Robert G. Dettmer, president
Roger Enrico, senior vp-sales & mktg

ADVERTISING AGENCIES

BBDO, New York—Pepsi-Cola, Diet Pepsi, Pepsi Light, Mountain Dew—Jack F. Kraushaar, Ken Robers, mgmt supers.

J. Walter Thompson USA, New York—Teem, On-Tap root beer—Peter Schweitzer, mgmt super.

PEPSICO INTERNATIONAL

MARKETING PERSONNEL

Peter K. Warren, chairman

On June 27, 1982, the space shuttle Columbia made history.

IT'S GOING TO BE A PERFECT LANDING.
United States
NASA

Photo Courtesy NASA

So did TeleCaptioning.

The instant the shuttle went up on June 27, the word went out—literally—for the first time ever, because of the advanced technology of real-time captioning. Real-time captioning was developed by the National Captioning Institute in order to provide simultaneous subtitling of live events.

Hundreds of thousands of people with hearing impairments were able to thrill to the full impact of the shuttle's breathtaking flight as it occurred. And their full participation in this historic event was historic in itself.

NCI's TeleCaptioning was created solely to open up the world of television to the deaf and hearing impaired. It's made television come alive, with over 40 hours of TeleCaptioned programs—from "Dynasty" to "Little House on the Prairie" to "ABC's World News Tonight" to the Super Bowl itself. And NCI has not only the capability, but the commitment to maintain this vital service on a national basis.

TeleCaptioning has also provided hundreds of advertisers with a new way of reaching the hearing impaired, a market extraordinarily loyal to products of companies that have made the effort to reach them. Among these are Procter & Gamble, American Express, Datsun and McDonald's.

If you want your program, product or service to be "heard" by a market that's too important to miss, please send in the coupon or call us. We'll be happy to provide you information on what TeleCaptioning can do for you.

National Captioning Institute, Inc.
NCI TeleCaptioning: There's no better sound in sight.

Real-time captioning of Columbia's launch and landing was made possible by a grant from the Johnson's Wax Fund, Inc.

National Captioning Institute, Inc.
5203 Leesburg Pike, Falls Church, Va. 22041
(703) 998-2420
ATTN: Mr. Thomas Watchorn,
Executive Director, Marketing

Please send me more information on what TeleCaptioning can do for my company.

NAME: ________
TITLE: ________
COMPANY: ________
ADDRESS: ________
CITY: ______ STATE: ____ ZIP: ____
PHONE: ( ) ________
AA

Victor A. Bonono, president
Thomas J. Rattigan, exec vp
Richard I. Ahern, president, UBI
James J. Postl, vp-mktg

PEPSICO FOODS INTERNATIONAL

MARKETING PERSONNEL

Graham G. Butler, president
Bruce Derkash, mktg director

ADVERTISING AGENCY

Lynch & Rockey, San Francisco—San Francisco Boulangerie—Terry Lynch, acct super; Martin Rockey, creative director; Wendy Larkin, acct exec.

FRITO-LAY

MARKETING PERSONNEL

D. Wayne Calloway, president
Willard C. Korn, senior vp
Jack DeMarco, vp-sales
Steve Zimmerly, mktg services director
Patt Korr-Roschki, group media mgr

ADVERTISING AGENCIES

Foote, Cone & Belding, New York.

Young & Rubicam, New York.

Tracy-Locke/BBDO, Dallas—David Novak, vp-mgmt super; Doritos and dips: Mike Rawlings, acct super; Scott Helbing, acct exec; Brett Carver, asst acct exec. Tostitos, variety pack, Funyuns, Bakenets: Katie Hallett, acct super; Denny Post, acct exec; Patrick Terry, asst acct exec. Sunchips, Lays and consumer information: Tom Dunker, vp-acct super; Bruce Orr, acct exec, Lays; Terry Davenport, asst acct exec, Lays. Warren Chang, acct exec, consumer information and Sunchips.

PIZZA HUT

MARKETING PERSONNEL

Arthur G. Gunther, president, ceo
Bud Gates, vp-mktg
Andy Sekel, director-corporate communications

TACO BELL

MARKETING PERSONNEL

Don Smith, chairman
Chuck Boppell, president
Dick Deleguardia, vp-mktg
John Moorhead, vp-adv & promo
Dick Rogers, vp-field mktg
John Lyon, mktg devel director

ADVERTISING AGENCY

Grey Advertising, Los Angeles—Dan Michel, vp-mgmt super; Fred Morache, vp-field mktg; Alan Kupchik, senior vp-creative director.

ADVERTISING AGENCY

Foote, Cone & Belding, Chicago—Pizza Hut—Bruce Mason, senior vp, group mgmt super; Mitch Engel, acct super.

LEE WAY MOTOR FREIGHT

MARKETING PERSONNEL

R.H. Sykes, exec vp, sales & mktg
A.M. Geraldo, mktg dir
P.A. Fox, vp-natl accts sales

ADVERTISING AGENCY

Ackerman & McQueen, Oklahoma City—J. Nauser.

NORTH AMERICAN VAN LINES

MARKETING PERSONNEL

Kenneth W. Macfield, president
Joseph D. Ruffolo, exec vp, household goods div
Thomas P. Fagan, vp-sales & agency devel
Blaine Sowers, president-commercial transport div
Rick Rogan, vp-sales, commercial transport div
Rob Fletcher, mktg dir, commerical transport div
Robert Lake, vp & genl mgr, intl div
Rich Buckley, vp-sales & mktg
Tom Harris, vp-genl mgr, intl div
Tom Zirk, vp-U.S. sales, intl

ADVERTISING AGENCY

Doe-Anderson, Louisville, Ky.—Phil Payne, acct super.

WILSON SPORTING GOODS

MARKETING PERSONNEL

Robert H. Beeby, president
Malcolm Candis, senior vp-mktg
Gus Lachenauer, senior vp-sales

ADVERTISING AGENCY

Leo Burnett USA, Chicago—Wilson Sporting Goods—Bill Boris, Steve Gritton, acct supers.

Pfizer Inc.

	1981	1980
Sales.........	$3,249,700,000	$3,029,300,000
Earnings.....	273,700,000	253,900,000†
Advertising**	59,000,000	49,712,000

**AA estimate
†Restated

Pfizer Inc., New York, the 83rd largest U.S. advertiser, increased its domestic advertising expenditures 19% to an estimated $59 million in 1981.

Worldwide sales for the company increased 7% in 1981, to $3.25 billion. Sales in the U.S. rose to $1.4 billion, accounting for approximately 43% of the total.

For the first quarter of 1982, worldwide sales were $808 million, down slightly from $810 million registered in 1981's opening quarter.

Pfizer reported a sales increase of 5% for the first six months of this year to $1.68 billion, while net income for the first half increased 28% to $168.8 million.

All Pfizer marketing categories scored sales increases in 1981, with the consumer division and materials science division each recording a 12% gain.

Strong performances by Pfizer's consumer division's two U.S. operations—Leeming/Pacquin and Coty—were credited as major factors in its 1981 sales advance. The division also showed a 32% gain in operating profit.

Pfizer's healthcare segment, meanwhile, showed an 8% sales increase, with international sales rising 11% and domestic sales 4% from 1980.

The segment is the company's largest and most profitable business category and comprised 55% of Pfizer's consolidated sales last year, while accounting for more than 80% of its total operating profit.

The company achieved sales advances despite a withdrawal during the year from the diagnostic business.

Pfizer's other marketing categories, agricultural products, and specialty chemicals, showed 1981 sales increases of 5% and 1%, respectively.

Pfizer executives say 1981 sales gains were actually greater than the reported yearend figures indicate. Local currency fluctuations and the stronger U.S. dollar abroad had the effect of diluting the gains achieved, calculating the "real" sales gains scored by the company as being about 5% higher than indicated by the yearend figures.

The modest drop in sales in the opening quarter of 1982, similarly, becomes a modest sales gain when adjusted for local currency fluctuations, according to Pfizer.

Net income from continuing operations increased 8% to $273.7 in 1981. In 1982's opening quarter, net income was up 18%, from $72 million to $88 million.

The consumer products division receives the bulk of Pfizer's measured media ad spending, which last year increased 25% to more than $38 million, up from $30.7 million. The ad money increase was funneled into tv, up approximately $5 million; magazines, up $1 million, and farm publications, up $600,000. Of 1981's $38 million measured media total, nearly $31.5 million went to network tv, and $4.1 million went to consumer magazines.

Pfizer's consumer business segment gets the bulk of the company's measured media support. The segment markets fragrances and cosmetics through its Coty division and through its Leeming/Pacquin division, proprietary drugs, including Visine eye drops, Ben-Gay analgesics, Unisom Nighttime Sleep Aid, and Desitin Skin Care and baby care products, plus Pacquin and Barbasol toiletry items.

Coty's leading selling brands include Emeraude, Wild Musk, Nuance and Sophia. A 1980 new product entry that carries the endorsement of actress Sophia Loren, Sophia fragrances, became Coty's top advertised product in 1981, receiving more than $6 million in measured media support.

Coty calls Sophia its most successful ever new fragrance product, and says sales have been outrunning all its forecasts. It was a major contributor to the division's increase of nearly 20% last year, an increase that builds on 1980's 15% sales gain. Nuance perfume received $3.7 million in 1981 measured media support and Emeraude got $2.7 million.

Joining the Coty lineup last year after receiving extensive test marketing was the Stetson line of aftershave and cologne for men. Stetson, launched nationally in September, 1981, received a $4 million yearend ad burst.

Warwick Advertising, New York, handles the new entry. Another Coty lineup addition last Fall was Shape 'n Shadow Eye Kit.

The Leeming/Pacquin division is Pfizer's largest consumer product operation. Unisom and Visine sales, plus the expansion of the Pacquin skincare line, paced the division and were the chief contributors to its 1981 sales gains.

Unisom set the fastest pace and showed a sales gain of approximately 35% from 1980. In its second full year on the market, the product received more than $4 million in measured media support.

The Visine line extended its top-selling position in the eye drop market, abetted by continued growth of Visine A.C., which relieves minor eye irritation caused by allergies and colds. Measured media amounted to approximately $8 million.

The Pacquin hand cream line was extended with the introduction of Pacquin Skin Cream with Aloe late in the year. The new entry is being supported with magazine ads, couponing and sample giveaways.

Ben-Gay, which holds well over one-third of the analgesic cream market in the U.S. and is that category's leading brand seller, received nearly $5 million in measured media support—$3.4 million for Ben-Gay Analgesic Ointment, and $1.4 million for Ben-Gay Extra Strength Balm. All of the Ben-Gay spending went to tv.

Barbasol, meanwhile, is a nonadvertised brand, but continues to show strong sales growth in the men's shaving cream market, according to Leeming/Pacquin.

Pfizer expects the healthcare products division to produce major sales gains for the company in the next few years. Expected sales of about eight or nine new medicines should play the major role.

The division markets its pharmaceuticals in seven therapeutic areas—antibiotics, antiinflammatory agents, central nervous system agents, cardiovascular agents, antiinfection, oral antidiabetes agents and other pharmaceuticals.

Antibiotic products are the sales leader and account for 39% of Pfizer's worldwide pharmaceutical sales.

It is the success of its new pharmaceuticals that Pfizer highlights as its most significant 1981 marketing development. At the forefront are Procardia, a cardiovascular agent for angina treatment launched in the U.S. in early 1982; and Feldene, a once-a-day antiarthritic agent, and Pfizer's first entry in the $600 million-a-year domestic antiarthritic drug market.

Supporting its commitment to technological innovation, Pfizer has been on an accelerated research and development program, and plans to increase r&d spending about 20%, to approximately $20 million this year.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers......	$24,500	$37,500
Magazines.......	4,140,200	3,188,400
Farm publications	2,232,200	1,591,000
Spot tv............	423,400	1,463,900
Network tv.......	31,403,200	24,301,700
Spot radio........	1,900	74,900
Network radio...	—	49,000
Outdoor..........	700	5,800
Total measured	38,226,100	30,712,000
Unmeasured...	20,773,900	19,000,000
Estimated total.	59,000,000	49,712,000

AGRICULTURAL DIVISION

MARKETING PERSONNEL

R.M. Hendrickson, president
W.P. Crawford, president, Pfizer genetics
F.R. Johnson, president, H&N Inc.
C.G. Risoldi, director of mktg, animal health
E.T. Hughes, director of sales, animal health
R.A. Stacchini, mgr, mktg communications, animal health
W.S. Schuermann, mgr, mktg services, genetics

ADVERTISING AGENCIES

Barickman Advertising, Kansas City—Animal health—Jim Aust, acct super.

Brewer Advertising, Kansas City—Genetics—A.J. Adolfi, acct super.

LEEMING/PACQUIN DIVISION

MARKETING PERSONNEL

B. Tagert, president
J.F. Anderson, vp-mktg
T.F. Coughlin, vp-sales

ADVERTISING AGENCIES

Avrett, Free & Fischer, New York—Unisom—Paul Obre, acct super.

McCaffrey & McCall, New York—Ben-Gay, Desitin, Pacquin, Rheaban—Burtis Flounders, mgmt super; George Hadley, acct super.

Ted Bates & Co., New York—Visine, A.C.—Malcolm McConnell, mgmt super, Arnie Schartz, acct super.

COTY DIVISION

MARKETING PERSONNEL

D.J. Flannery, president, Coty U.S. operations
J. Markowski, vp-mktg
J.F. Harmon, president, worldwide Coty operations
J. Abernathy, vp-sales

ADVERTISING AGENCIES

Hicks & Greist—Sophia and cosmetics—Josann Avery, acct exec.

Warwick Advertising—Emeraude and Stetson—Pam Sarnoff, acct exec.

John Paul Itta Inc.—Nuance—John Paul Itta, acct exec.

Adforce Inc., New York—Robert Geller, president; John McAvity, vp-broadcast; Martin Gennusa, vp-media.

CHEMICALS DIVISION

MARKETING PERSONNEL

F. Adams Jr., president
D.F. Farley, vp-operations
P.J. Regan, vp-operations
W.D. Benfer, vp-U.S. sales
F.P. Chapman, vp-mktg
Vincent DeGennaro, director, adv & promo
C.N. Mastin, genl sales mgr.

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, New York—F.P. Harvey, senior vp-mgmt super; Charles Rose, vp-acct super; D.E. Bray, acct exec.

PFIZER PHARMACEUTICALS

MARKETING PERSONNEL

S. G. Gilgore, president
J. Jefferis, vp-medical director
R. Goode, director, mktg research/planning

PFIZER LABORATORIES

MARKETING PERSONNEL

W. Steere, vp & director, operations
W.J. Robison, vp-sales
G. Jortner, vp-mktg
K. Katen, director, prod mgt

ADVERTISING AGENCIES

Klemtner Advertising, New York—Vibramycin, Terramycin, Vistaril, other ethical drugs—Morgan Cline, exec vp.

William Douglas McAdams Inc., New York—Diabinese—Eugene Fine, vp.

Carrafiello Diehl, New York—Glucotrol—Tony Bennett, senior vp.

Dorritie & Lyons, New York—Minipress, Minizide, Feldene, Procardia, Renese—John Dorritie, president.

ROERIG DIVISION

MARKETING PERSONNEL

P. Tombros, vp-director, operations
L. Larkin, vp-sales
R. DeLuccia, vp-mktg

ADVERTISING AGENCIES

Robert A. Becker Inc., New York—Geopen, Geocillin, Antivert, Atarax.

Dorritie & Lyons, New York—Marax, Cefobid—Jim Streup, vp.

Klemtner Advertising—Spectrobid—Zahavi, acct super.

Carrafiello Diehl—Sinequan, Navane.

PFIPHARMECS DIVISION

MARKETING PERSONNEL

F.D. Price, vp-director of operations
S. Harr, director of mktg
D. Willans, natl sales mgr

ADVERTISING AGENCIES

S.J. Weinstein Associates.

Rosenfeld Sirowitz & Lawson.

MINERALS, PIGMENTS & METALS DIVISION

MARKETING PERSONNEL

J.P. Bartels, president
W. Nazarewicz, vp-minerals
H.W. Flandreau, vp-mfg
P.A. Guercio, vp-metals
W.M. Stephson, vp-magnetic materials business devel
G.L. Metcalf, vp-pigments/magnetics
H.F. Stolte, mktg services mgr

ADVERTISING AGENCY

Newmark, Posner & Mitchell, New York—Richard Walker, acct exec.

HOWMEDICA INC.

MARKETING PERSONNEL

T.W. Eckels, chairman
E.C. Bessey, president & ceo
T.E. White, senior vp, worldwide dental operations
R.B. Whitman, senior vp
D. Fitzgerald, senior vp, worldwide orthopedic operations

ADVERTISING AGENCY

Techni-Graphics—Hugh Phares, president.

QUIGLEY CO.

MARKETING PERSONNEL

J.P. Bartels, chairman
D.R. Thacker, president
D.R. Holmes, vp
I.J. Dreyling, vp-technical
E.W. Garvin Jr., vp-sales
R.M. Galloway, director of sales and mktg

ADFORCE INC.

MARKETING PERSONNEL

Robert Geller, president
John McAvity, vp-broadcast
Martin Gennusa, vp-media

Pillsbury Co.

	1981	1980
Sales*........	$3,385,100,000	$3,301,700,000
Earnings*....	136,300,000	119,600,000
Advertising**	131,015,100	124,025,700

*Fiscal year ends May 31
**AA estimate

Pillsbury, the nation's 47th largest advertiser in 1981, increased ad spending 5.6% over 1980 to $131 million, up from $124 million in 1980. The company reported 1982 earnings of $136.3 million, up 14% from $119.6 million in 1981, on sales of $3.39 billion, up from $3.3 billion in '81, but financial analysts found the figures disappointing because fourth-quarter results included significant nonrecurring gains to balance flat operating results.

The company denied it had sought out non-operating income to boost earnings, and said the nonrecurring gains were "random events." The sale of the Wheat Nuts line occurred too late in the quarter to inform the market, a company official said.

During calendar 1981, the company also sold its Speas and Speas Farm apple juice unit to Sawyer Fruit and Vegetable Cooperative and its Wilton Enterprises subsidiary to a private investment group. The company purchased the Wickes Co. agricultural division, a marketer of dry, edible beans, peas and lentils sold under the Jack Rabbit label.

The company's share in the $756 million dessert mix category remained even at about 21%, behind Duncan Hines and Betty Crocker brands, despite a 44% decline in ad spending for Pillsbury Plus cake mix. Ad expenditures dropped significantly for the brownie mix—to less than $150,000 from more than $2.2 million the year before. However, ready-to-spread Frosting Supreme saw a 30% boost in advertising, to $5 million, and Streusel Swirl dessert cake mix received an ad budget hike of 60%, to $4.3 million. The company early this year consolidated its Frosting Supreme and refrigerated pie crust accounts at BBDO, New York, already the agency for cake mixes, as a result of a product conflict at former agency Leo Burnett USA, Chicago.

The company introduced coconut pecan and coconut almond Frosting Supreme and Oats 'n Brown Sugar Pillsbury Plus cake mix, being marketed nationally backed by a $7 million multimedia campaign. The introduction is expected to revitalize sales of German chocolate cake mix, which is intended to be used with the coconut pecan frosting. The company is calling the line the first major flavor introduction since the 1980 Carrot 'n Spice cake mix and cream cheese frosting.

Pillsbury, still maintaining its No. 1 position with about 60% of the volume in the $556 million refrigerated dough category, entered a new refrigerated dough product—Pipin' Hot Loaf—in four test markets, Grand Rapids, Mich., Syracuse, N.Y., Pittsfield, Mass., and Marion, Ind., late last year, and could roll out the product as early as this fall. The product, a refrigerated white bread dough that provides a loaf of bread in 30 minutes, uses a new technology for creating a yeast substitute that Pillsbury hopes can be used in other dough-based products. Tv spots use the theme, "There's a new loaf coming."

In an attempt to revitalize the refrigerated dough category, which declined through the '70s, Pillsbury has introduced five new products nationally since the beginning of calendar 1981: Parker House rolls, a two-item line of coffee cakes, double chocolate chip cookies, basic butter biscuits and reformulated Heat 'n Eat prebaked biscuits (formerly 1869 brand).

Pillsbury is now moving toward national introduction this fall of All Ready pie crusts, testing for two years in Cincinnati, Indianapolis, Milwaukee, Peoria, Ill., and St. Louis. The product, positioned as having homemade quality without the fuss, is sold in packages of two precut pieces of refrigerated dough.

Management changes in the refrigerated products group included the naming of Robert Lindsay Jr. to director of marketing following the resignation of Peter Mihajlov. Michael Paxton succeeded Mr. Lindsay as director of new products; George Flett was named group marketing manager-specialty products to succeed Mr. Paxton. John Levine took over Mr. Flett's prior post as group marketing manager-new products.

This spring, the company began testing frozen New York-style cheesecake under the Margaret Baker's brand name in Denver, following several months of testing in Minneapolis. The product, containing four individual servings, previously was sold at foodservice. Pillsbury bought the brand in 1979 as part of the Green Giant purchase.

Pillsbury also introduced a four-item line of frozen toaster streudel into Phoenix test market this winter to compete with Kellogg's Pop-Tarts and Sara Lee cinnamon danish. Multimedia advertising at a $15 million national level supports the products.

Pillsbury moved out of convenience stores in selected markets and is now testing a three-item line of Heat & Eat microwave pizza in supermarkets in the Minneapolis area.

Pillsbury microwave popcorn

NEVER ASK A PLAYBOY TO

is reaching national distribution following last year's rollout. The Hungry Jack label is being eliminated from the package to give more prominence to the Pillsbury name. The company also markets microwave popcorn under the Heat & Eat label in convenience stores in the Southeast, Midwest, Northwest, California and Texas.

Frozen foods have been targeted as a growth vehicle for Pillsbury. Although its existing Green Giant entrees have been disappointing, the company is convinced that certain segments of frozen foods have growth potential. One area is the burgeoning Mexican food category, where Green Giant is still testing its Fiesta Grande line.

The unsuccessful Green Giant Toast Toppers were dropped during the year, and, in an attempt to put the business in the black and combat increasing competition from new low-calorie frozen entrees from Stouffer, Green Giant rolled out a new line of twin-pouch frozen entrees that are getting significant advertising support. Green Giant management is believed to be monitoring the low-calorie segment carefully, and could possibly make a move in the category. Green Giant frozen entrees received a 441% boost in ad spending during calendar 1981, to $1.3 million. A new ad campaign for entrees, the first Green Giant campaign without the Jolly Green Giant, broke in 15 markets in January, under the theme, "Welcome him home with Green Giant."

The company, already No. 1 in the frozen vegetables category, entered test markets last year with a five-item line of Valley Combinations mixed vegetables. Both frozen and canned vegetables received increased ad spending over calendar 1981, including a nearly 300% boost in spending for canned vegetables to about $1 million, and a 21% increase for frozen vegetables with cheese, to $1.5 million.

Since last fall, Pillsbury, ranking No. 1 in frozen pizza with a 31% market share, has been engaged in legal battles with top competitor Jeno's Inc. over Jeno's claim that Pillsbury misappropriated trade secrets by using manufacturing technology originally developed by Jeno's, and that Pillsbury altered its marketing strategy to injure Jeno's business. Pillsbury denied the charges and countersued, charging Jeno's with unfair competition and deceptive trade practices for packaging its pizza in packaging similar to Totino's and infringing on Pillsbury's patent for crisp-crust pizza. Jeno's was ordered to change its packaging to a yellow background. Jeno's next complained to the U.S. Department of Agriculture that Totino's packaging contains false statements that Totino's has "a deluxe topping on a crust nobody else has," but the department determined the package was not misleading.

Jeno's also warned tv stations nationally that they will be subject to lawsuits if they run Totino's spots that "denigrate the frozen pizza industry." Following Pillsbury's response to the networks, ABC upheld the company's right to make the claims; NBC asked for further substantiation, and its reply is still pending.

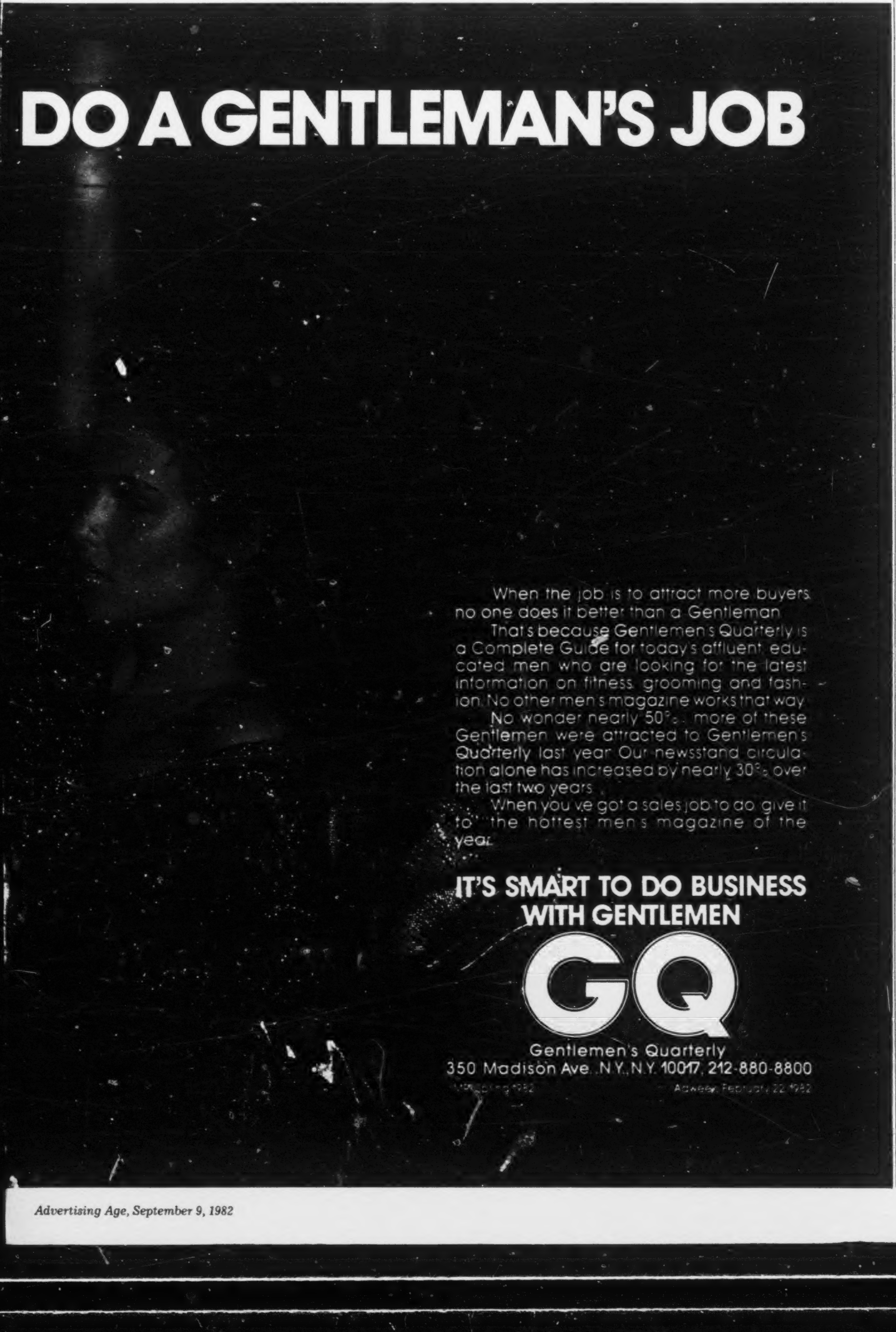
Meanwhile, Totino's continued to gain consumer support as it extended into national distribution. Introductory advertising in new markets last year included buy two-get one free offers. Ad spending for the brand nonetheless dropped 19% in calendar 1981, to $2.5 million.

Internationally, the company is pursuing a joint venture with Snow Brand Milk Products, Tokyo, to introduce Totino's in Japanese markets.

This spring, Pillsbury consolidated Burger King, Steak & Ale, Bennigan's and Poppin' Fresh operations into a restaurant group under the direction of Steak & Ale chairman Norman Brinker, now president of the group, headquartered in Dallas. The restaurant group recorded improved profits in fiscal 1982, led by Steak & Ale and Bennigan's.

Burger King, holding about 10% of the fast-food market in the U.S. and the No. 2 worldwide slot, had estimated earnings growth of about 10% in fiscal 1982 to $130 million. The chain, with about 3,000 domestic units, broke a new ad campaign earlier this year, under the "Aren't you hungry" theme, and focusing on products.

Burger King U.S.A., this spring, is expected to grow through acquisition, including the addition of 250 new restaurants this year. Among the new concepts being tried at Burger King are the development of smaller, 50 to 60-seat units that recognize increased drive-through business; late-night drive-through service, breakfast entrees and chicken, seafood and Mexican basket dinner meals. Internationally, Burger King has targeted the Japanese



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*MRI Spring 1982 ***Adweek, February 22, 1982

and possibly Mexican markets for expansion. Jerry B. Ruenheck, named president this year, is calling for a 1% increase in market share per year.

SSC&B, New York, was named for the $6 million to $10 million Steak & Ale Restaurants account, including Steak & Ale and Bennigan's, in January, after previous agency Leo Burnett USA took on the McDonald's account.

Calendar 1981 spending for both chains totaled about $4 million, more than $3.5 of which went to Steak & Ale. Steak & Ale expansion is slated for major Sunbelt markets.

Poppin Fresh Pies extended its "Pie-sneakers" campaign with new spots featuring chicken pot pie, taco salad and lasagne pie. The company hiked ad spending 23% to $1.5 million for the chain in calendar 1981. Company officials indicated that the chain may revise its current coffee shop concept; Pillsbury has stopped expansion of the chain in favor of improving unit volume.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$2,121,200	$3,056,300
Magazines	5,599,800	5,148,100
Spot tv	32,590,800	31,915,600
Network tv	59,265,500	53,254,900
Spot radio	2,376,600	2,791,100
Network radio	—	314,300
Outdoor	402,000	414,800
Total measured	102,355,700	96,895,100
Unmeasured	28,659,400	27,130,600
Estimated total	131,015,100	124,025,700

MARKETING PERSONNEL

Consumer Products Group

John Stafford, president, consumer group
Raymond V. Kimrey, group vp-refrig prods
Thomas McBurney, group vp-grocery prods
Kent Larson, group vp-frozen foods
Donald A. Osell, vp-mktg services
Anthony Scherber, vp-genl sales mgr
William Edgley, director-adv services
Seth Dingley, director-mktg services

Grocery Products

Dan Locke, business unit mgr, dry grocery prods
John Darcy, director of mktg, new prods

Refrigerated Foods

Robert Lindsay, director-mktg
Michael J. Paxton, director-mktg new prods
George Flett, group mktg mgr, specialty prods
John Levine, group mktg mgr-new prods
Larry Wheeler, group mktg mgr-breadstuffs

Restaurant Group

Norman Brinker, president-restaurant group & ceo, Steak & Ale Restaurant Corp.
Hal Smith, president-chief operating officer, Steak & Ale Restaurant.
Louis Neeb, chairman, Burger King
Jerry Ruenheck, president-chief operating officer, Burger King Corp.
J. Jeffrey Campbell, president, Burger King USA
Fred Gonzales, mktg director, Poppin Fresh Pies

Agri-Products Group

Richard Coonrod, president

ADVERTISING AGENCIES

Leo Burnett USA, Chicago—Green Giant prods, refrigerated foods, Hungry Jack potatoes and pancakes—Bill Boris, mgmt director.

BBDO, New York—Pillsbury Plus, Bundt and Streusel Swirl cake mixes, artificial sweeteners, Quick Bread mixes, frostings, All Ready pie crust—Robert Spofford, mgmt super.

Paragon Cos., Minneapolis—Totino's frozen pizza, Heat 'n Eat microwave popcorn and pizza, microwave popcorn, Margaret Baker's—Philip Hummel, mgmt super.

Ketchum Advertising, San Francisco—family flour, Figurines, American Beauty pasta—Robert Kroyer, mgmt super.

J. Walter Thompson USA, New York—Burger King—Harry Clark, acct dir.

Pride, Barber & Pride, Minneapolis—bakery flour, mixes and equipment, foodservice—William C. Barber, president, director of client services.

SSC&B, New York—Steak & Ale, Bennigan's—Jim Coakley, mgmt super; Jay Schreik, acct super; Diane Anton, Dan Mauzy, acct execs.

Polaroid Corp.

	1981	1980
Sales	$1,419,600,000	$1,450,785,000
Earnings	31,100,000	85,406,000
Advertising*	51,750,000	49,253,300

*AA estimate

Polaroid Corp., Cambridge, Mass., the nation's 88th largest advertiser, increased its U.S. advertising expenditures by 5% in 1981.

Worldwide sales fell 2% to $1.42 billion, while earnings plummeted to $31.1 million from $85.4 million in 1980. The decline in earnings was in part attributed to payouts to the number of employes that elected to take early retirement under the company's voluntary severance program.

Polaroid continued its dominance of the $2 billion instant camera market in 1981, but it continues to be faced with the same marketing problem that has plagued the industry for the past four years—a lessening demand for instant cameras.

While Polaroid has continued to maintain its 66% share of the instant-camera market against archrival Eastman Kodak Co., the market itself has been shrinking.

In 1981, the company reported selling 5.6 million instant cameras, including 1 million Sun Cameras introduced in midyear. This figure is down from the 6.6 million units sold in 1980, the 7.3 million sold in 1979 and the 9.4 million instant cameras sold in 1978.

Likewise, sales of instant film for both amateur and technical instant cameras fell for the second year to below 200 million units. Polaroid currently has a 25% share of the instant film market.

In an effort to build the sagging market—and increase its market share at the expense of Kodak, Polaroid, in June 1981, introduced the Polaroid Sun System consisting of two instant cameras (the 660 and the 640, each with a built-in flash) and a new ultra-high speed 600 ASA instant film. The film is the fastest on the market today, and can be used only with the Sun camera.

At the time of the introduction, Polaroid president, William J. McCune Jr., said the camera "will substantially increase the variety of situations in which the user can take an instant color picture with confidence, with a pleasing result, at a lower operating cost."

The Sun System, which has been heavily advertised using veteran Polaroid spokespeople James Garner and Mariette Hartley, received more than $16 million in advertising support, with nearly $13.5 million in network tv during the second half of 1981.

What makes the Sun System different from other instant cameras currently available is its ability to employ electronic flash in every picture-taking situation, both indoors and outdoors. This is accomplished by electronically calculating a blend of strobe light and natural light. As a result, the company says, the camera is able to deliver "more satisfactory pictures per pack of film."

Shortly after the introduction of the Sun System, Fuji Photo Film Co. introduced its first instant camera and film system.

At the time of the introduction last August, Fuji said its plans called for marketing the camera in Japan. Those familiar with the industry said the Fuji introduction could serve as a boon to Kodak's own instant film since the two systems are compatible.

Wall Streeters, however, discounted the possibility that Fuji would begin marketing the system in the U.S. anytime in the near future.

While Polaroid would have little to fear from a U.S. introduction by Fuji, its sales could be adversely affected by the Japan introduction. Japan is Polaroid's third-biggest market after the U.S. and Germany.

Film for the Fuji system is similar in many ways to Polaroid's. Both film formats are approximately the same size, and both films develop in 60 seconds.

The one significant difference in the cameras' operation is the placement of the battery. The Fuji system operates with a stored battery in the camera, while Polaroid provides a battery built into each pack of film, thereby insuring that the battery will always be fresh.

This past March, Polaroid introduced the Amigo 620, and a lower price Sun 650 which also uses the high-speed 600 film system. While an advertising budget for the Amigo 620 was not revealed, the company said it hoped to reach 91% of all U.S. adults an average of eight times. To accomplish this, the company began running 30-second commercials during prime time, featuring Mariette Hartley and the Muppets.

The tag line in print ads for the camera is "Meet Polaroid's Amigo, a new friend that's full of fun."

Since the retirement of Edwin Land, the company's founder, a number of reorganizational moves have taken place at the company under the direction of William McCune. I.M. Booth, an executive vp, was elected chief operating officer. Leaving the company after 17 years was Ted Voss, Polaroid's worldwide marketing group vp, to become senior vp/marketing for Atari Inc. Peter C. Wensberg, executive vp, was named head of worldwide advertising.

Since Mr. McCune took the helm, a number of steps have been implemented to rid Polaroid of its image as a "one product company." In October, 1980, Mr. McCune instituted three business groups within the company with responsibilities extending throughout its worldwide operations. The three units are: Amateur Photographic Products, which continues to account for the majority of the company's sales; TechPhoto, which includes technical and industrial photographic products, and Diversified Products, which covers nonphotographic areas. Last year, the three groups introduced a total of 38 new products and systems.

Commenting on the company's reorganization, Mr. McCune wrote in the annual report that the TechPhoto unit currently accounts for about 30% of the company's total sales.

The six products which received $1 million or more in advertising support during 1981 were all amateur photographic products. The products were: Polaroid Autofocus Sun Cameras and film, $16.2 million; Polaroid film, including TimesZero Supercolor, $6.5 million; Polaroid OneStep cameras, $6.3 million; Polaroid OneStep cameras and accessories, $5 million; Polaroid Sonar OneStep cameras and film, $1.3 million; and Polaroid Cameras, including the Button, $1.1 million.

More than $30 million of Polaroid's $41 million measured media spending went to network tv. Magazines received $6.4 million, and $1.5 million was spent on spot tv. Newspaper supplements, the only other medium used, received $51,000.

The company's growing involvement with technical photography led to a number of medical and industrial product introductions throughout 1981. In January, the company revealed its new Polaprinter slide copier. A compact desktop system, the copier is used for producing instant color and b&w prints and b&w negatives from 35mm slides.

In June the company brought out its Polaroid Type 612 ultra-high speed instrument recording film. Rated at a 20,000 ASA equivalent, the high-speed material is designed for oscilloscope trace recording, photomicrography and other scientific and technical applications.

The Polaroid SX-70 Photomicrographic System for instant self-developing images of subjects viewed through virtually any microscope was introduced.

The Polaroid CP-770 contrast enhancement filter was first introduced last September. The filter, an antireflection filter, attaches to video display terminal screens to eliminate glare and improve contrast for better readability and less eye fatigue.

The Polaroid Instant Endocamera, also introduced in September, attaches to the viewing end of flexible or rigid endoscopes and provides specialists in obstetrics, gynecology, urology and other branches of internal medicine with immediate color records of endoscopic examinations, which can be used for analysis, referral, patient education and records.

Also available last fall was the Polaroid Instant 8x10 Radiographic system. The system enables medical and industrial users of X-ray equipment to expose, process and view 8x10 radiographic transparencies quickly and easily in the field, hospital or office.

The company expects to introduce several new products and systems in 1982.

After nearly six years of battling Kodak in the instant-camera field, Polaroid may finally have its day in court. A lawsuit filed in 1976 in U.S. District Court in Boston, charging Kodak with the violation of its patents may soon be decided.

Polaroid has charged that the "manufacture, use and sale [by Kodak] of instant cameras and instant print film infringes on a number of U.S. patents owned by Polaroid."

Reportedly, three of the 10 patents in question are held by Polaroid's founder, Edwin H. Land. Polaroid has maintained that Kodak copied parts of its SX-70 camera.

Kodak charges that Polaroid patents every slight improvement rather than only true innovations.

The juryless trial was concluded on Feb. 26, 1982. Polaroid expects a decision in the case before fall 1982.

Polaroid also filed similar suits against Kodak and certain of its affiliates in the U.K. and Canada.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$2,300,500	$919,500
Magazines	6,418,200	5,140,000
Spot tv	1,457,200	904,700
Network tv	30,334,200	29,812,500
Spot radio	539,000	—
Network radio	—	413,200
Outdoor	—	4,700
Total measured	41,049,200	37,194,900
Unmeasured	10,700,800	12,058,400
Estimated total	51,750,000	49,253,300

MARKETING PERSONNEL

Peter C. Wensberg, executive vp
Joseph J. McLaughlin, group vp, worldwide mktg operations
Peter Eichorn, vp-international mktg
Lee C. Brewer, asst vp, North American mktg
James P. Andrews, director, North American adv
Robert K. Fitzgerald, senior adv mgr
Stephen A. Bassett, adv mgr
Richard P. Giacchetti, adv mgr
Adrian E. vanDorpe, adv director, business & professional prods
Rick Colson, individual adv mgr
Robert H. O'Brien, individual adv mgr
Lawrence E. Beeson, director, intl adv
Lynn W. Keyser, intl adv mgr
Kathleen R. Malone, adv mgr export mkts

ADVERTISING AGENCIES

Doyle, Dane, Bernbach, New York—domestic acct group—James McConnell, group senior vp; Robert Moehl, vp-mgmt super; Greg Argand, vp-acct super; Ann Schlessinger, acct super; Walter Regel, Elizabeth Savage, Jack Stanyon, acct execs; Tina Devries, budget coordinator. International (U.S.): Lloyd Highbloom, group senior vp; Dennis Byrnes, senior vp, mgmt super; Kathy Beatty, acct super-Latin & South America; Joan Wolf, acct super-tv production; Donna Aird, acct exec; Ray Targonski, budget super. Europe (London): Tim Dyson, senior vp-mgmt super; Judy Thompson, acct exec. Middle East group (London): Geoffrey Dempsey, senior vp; Derek Bowden, media super; Richard Pook, acct exec. Business professional products: Lloyd Highbloom, group senior vp; John Fenyo, vp-mgmt super; Nancy Wiese, vp-acct super; Donna Aird and Irene Soeller, acct execs; Ray Targonski, budget super.

Needham, Harper & Steers, Chicago—Polaroid Task Force—Jack McBride, senior vp-mgmt rep; Walter Menzel, vp-acct super; Lori Comparin and Lynne Tauman, acct coordinators. Creative: Susan Gillette, senior vp-creative director; Bill Biderbost, vp-creative director. Media: Don Carlson, assoc media director; Cathy Sweeney, media asst. Research: Kay Satow, vp-deputy research director; Harlon Stewart, research super; Deborah Potts, rsch assoc.

Procter & Gamble Co.

	1981	1980
Sales*	$11,944,000,000	$11,416,000,000
Earnings*	777,000,000	668,000,000
Advertising**	671,757,400	649,000,000

*Fiscal year ends June 30
**AA estimate

Procter & Gamble Co., Cincinnati, the perennial No. 1 national advertiser, is estimated to have increased its 1981 advertising and promotion budget in the U.S. by approximately 4% over 1980 to $671.76 million.

The percentage increase, which has been shrinking steadily in recent years, was down slightly from 1980, when the company's investment jumped 6% from the previous year's spending.

In fiscal 1982, ended June 30, P&G reported sales of $11.94 billion, an increase of 5% over fiscal 1981. Earnings increased 16% to $777 million.

Under the leadership of a new chief executive, John Smale, P&G in 1981 began to pursue new directions through which it hopes to achieve its traditional 7½% growth rate.

For example, in the absence of a blockbuster product with which to revolutionize and overtake a market, the company has more new products in test worldwide than at any time in its history; there are 14 in the U.S. alone. The flurry of testing may also be an indication that the company is being forced to reach further for winning products; in 1981 the only new product it rolled out nationally was Crest gel toothpaste.

At the same time it is preparing for growth by acquisition.

P&G continued to show interest in the beverage industry (first demonstrated with the 1980 acquisition of the U.S. and international operations—excluding Canada—of Crush International) by acquiring the citrus processing operations of Ben Hill Griffin Inc. in 1981 for an undisclosed amount.

In early 1982, the company made its long anticipated move into the healthcare industry, acquiring MortonNorwich Products' $216 million pharmaceutical business for $371 million.

That property gives P&G a vehicle with which to learn the pharmaceutical business, in addition to the immediate support of a 330-member detail force. It also brings to P&G over-the-counter products in areas that complement its current product lineup. One of them, Pepto-Bismol, will make P&G the leader in the stomach remedy business where it currently has no entry. Chloraseptic, an antiseptic-anesthetic, gives the company a sore-throat remedy.

As it has with other acquisitions, P&G plans to operate the MortonNorwich business as a separate entity for the immediate future.

Meanwhile, the No. 1 spender in network tv, P&G broke the half-billion dollar mark in total tv expenditures in 1981, increasing its spot and network buying by 6% to $521.6 million. All of that increase went into network, where P&G raised spending by 9% to $393.24 million. Spending on spot tv continued to be cut, declining by 6% to $128.4 million in 1981.

The company also sliced several million dollars from its magazine budget for the second year in a row, cutting spending 4% to $35.7 million.

In radio, where the company had been increasing its investment steadily for several years, spending was cut dramatically from more than $4 million to $160,000.

Although it is difficult to determine how much money P&G is spending in cable tv, the company was an early supporter of Turner Broadcasting System's Cable News Network and is the network's largest sponsor. In December, it began support of a second cable outlet when it became a sponsor of Continental Broadcasting Network's weekly cooking program, "At Home With Beverly Nye."

And in early 1982, P&G started advertising on WTBS, Atlanta, Turner Broadcasting's "superstation."

In the promotions area, as probably the largest user of sampling, couponing, price-off, on-pack and other vehicles, P&G is estimated to have spent $108 million in unmeasured media in 1981.

All of this adds up to P&G's being such a large advertiser that its spending in just one category often exceeds the entire budget of a smaller company. For example, in 1981 it spent $115 million on 15 laundry products, up 10% from a year earlier.

The company spent $45 million on seven soap products; $43 million on five dishwashing products; $60 million on paper products; $147 million on personal care products; $64 million on food products; $20 million on household cleaning products, and $51 million on beverages, including coffee and soft drinks.

Normally P&G's most heavily advertised brand, Crest toothpaste received even more support than usual in 1981, when the company increased its spending for the brand by 59% to $45.45 million. The increase in spending was part of the "toothpaste war," which erupted during the year. P&G in April launched Advanced Formula Crest, based on a sodium fluoride substance rather than a stannous fluoride and said to be better tasting than the old formula and twice as effective in cavity protection. As it had with the original formula 22 years ago, the brand again obtained the seal of approval from the American Dental Assn.

Not six months later, in response to the inroads made by gels, in particular Beecham's Aquafresh, P&G rolled nationally with the Crest gel it had been testing in Burlington, Vt., and the Pacific Northwest. P&G reportedly sped up its plans to beat the rollout of Colgate-Palmolive's Colgate winterfresh gel.

By May of this year, the efforts by the two companies appeared to be paying off. The gel items accounted for approximately one-third of total sales for both brands, and the erosion of Crest's share had been reversed; Crest's share was above a 35% share for the first time in several years; Colgate was up to 21%.

Although the company's coffee brands remain among the most heavily supported, spending was reduced somewhat.

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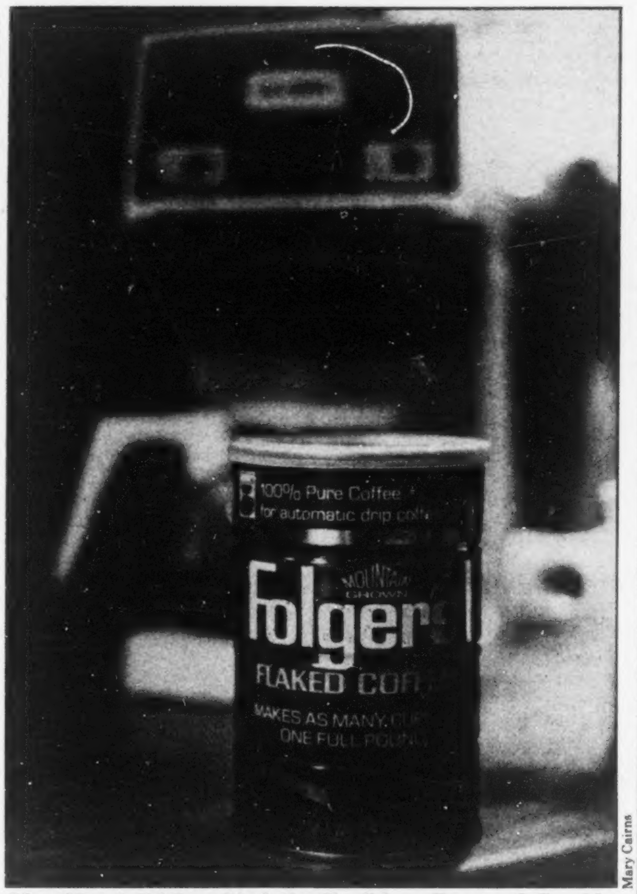


Mary Cairns

Mrs. Olson's "richest kind of coffee," from Procter & Gamble.

Folger's received $26 million in support (down 4%), and High Point was backed with $21 million (down 14%). Ivory, with four advertised products, received $24 million in support, down 8% from a year earlier. And the Duncan Hines mixes were given $23 million in advertising, up 35%. Spending on the Crisco products, both oil and shortening, was up 11% to $21 million.

Of other P&G brands, the following received between $15 million and $20 million in measured media support: Both Luvs and Pampers disposable diapers; Head & Shoulders shampoo, and Tide detergent, which continues as the nation's No. 1-selling laundry detergent.

Backed by $10 million to $15 million were Bold 3 laundry detergent with fabric softener, Bounce fabric softener, Bounty paper towels, Cascade automatic dishwashing detergent, Cheer laundry detergent, Downy fabric softener, Era laundry detergent; Gleem toothpaste, Pert shampoo, Scope mouthwash and both Secret and Sure antiperspirants.

Challenged by the maturity of the category and the strong presence of generic and private label products, P&G has become active in the paper business. Although Charmin toilet paper, Bounty paper towels and Pampers disposable diapers all are clear market leaders, the company is dabbling with ways to further strengthen its presence.

In June, 1981, the company introduced Summit, a line of unadvertised paper towels and toilet tissue priced from 25% to 30% below Bounty and Charmin, into nonfood outlets via a special sales force.

In August, it reintroduced Certain, a premoistened toilet tissue, into test in Omaha/Lincoln, Neb., and Des Moines, Ia. The new version is said to be less greasy and priced at parity with other "quality" bathroom tissues, in contrast to a version that tested in Fort Wayne and Indianapolis between 1978 and 1980. Certain was expanded further into Wisconsin and parts of Michigan in April, 1982.

In June, the company entered the toilet tissue business, with Banner, a moderately priced brand it is testing in parts of Georgia and North and South Carolina. Some of Banner's cost of savings is achieved by sacrificing 0.4 ins. of width, and some by using less expensive raw materials.

Charmin, P&G's premium-price product, climbed from a 16.6% dollar share to 18.4% in 1981; White Cloud, a two-ply product, rose from a 7.7% share to 8%. Spending on Charmin was $8 million, down 16%; on White Cloud it zoomed 182% to $9 million. Puffs facial tissue and Posh Puffs, at 70% and 65% distribution, respectively, are closing in on Kimberly-Clark's Kleenex products. Spending on Puffs totaled $5.4 million in 1981, remaining steady with the 1980 level.

Although P&G's Pampers hold more than a 50% dollar share of the disposable diaper market, the company apparently is concerned about guarding that franchise. In early 1982 it began to test a version of Pampers with elastic legs, called "stay dry gathers," in Fort Wayne and Lima, O. By June the new version, priced comparably with the old, was in Denver, Los Angeles, San Francisco, St. Louis and Hawaii. Although the company still considers the new version a "test" brand, it is expected to continue rolling the product out, replacing many package sizes of regular Pampers as it moves. Altogether in 1981, Pampers was backed by $19.8 million in measured media support, up 5%.

The company believes that demand for Luvs, its higher-price diaper with elastic legs, will continue because it offers "premium fit and containment." Luvs, which competes with Kimberly-Clark's Kleenex Huggies, was backed by $17.8 million in 1981, down 3% from 1980, the year it was introduced. Nationally its share is higher than Huggies', but in the 87% of the country where Huggies is distributed the two products are neck and neck.

The two companies have had the branded end of the market to themselves since February 1981, when Johnson & Johnson bowed out of the field. Nevertheless, unadvertised brands are active, and most of J&J's share (8%) is thought to have gone to such lower-end products.

In the $1.8 billion laundry detergent category, P&G is the undisputed leader. Combined, its brands hold just more than half the market. Included are: Tide (23.5%), Cheer (8.3%), Era (4.2%), Bold 3 (5.2%), Dash (2%), Oxydol (4.2%). Spending on those brands remained level.

The company appears to have taken notice of Colgate-Palmolive's introduction of Fresh Start, a concentrated granular product that had chalked up a 3.5% share by spring of 1982. In May, 1982, it began to test Ariel, a concentrated low sudsing granular laundry detergent in Colorado, Wyoming and parts of Nebraska, South Dakota, Utah and New Mexico. A strong brand overseas, Ariel is the company's largest-selling detergent.

The company also is testing Era Plus, a heavy-duty all-purpose liquid detergent with enzymes, in Minnesota, North Dakota and South Dakota.

Also in detergents, P&G continued to rollout Solo, a combination fabric softener and liquid detergent. By mid-1982 it was in 35% to 40% of the country, primarily in the East and Midwest. Competing against Texize's Yes, which rolled out nationally during 1981, Solo was backed by $2.2 million.

In other laundry products, P&G took two steps that affirmed its interest in the $500 million bleach market. In early 1981, the company began to test Biz (first a presoak, then a detergent booster) as an all fabric bleach. In January, 1982, Biz was relaunched nationally with this positioning, coming up directly against Clorox Co.'s Clorox 2.

In October, P&G put Vibrant dry bleach into test in Charleston, W.Va. Vibrant is positioned as a bleach that is as effective as liquid and as safe as dry bleaches. It is based on a new technology that reportedly is cause for high hopes for expanding the category.

In regular fabric softeners, P&G maintained its hold on more than 50% of the business with Bounce and Downy. Spending was down 5% on Downy to $14 million; on Bounce it was down 10% to $12.9 million.

In dishwashing detergents P&G also is No. 1. Cascade continued to lead the automatic segment, and the liquid brands maintained their shares: Ivory (17%), Dawn (13.5%) and Joy (12.5%).

Lever Bros. presented a new challenge with Sunlight, said to contain real lemon juice for extra cleaning power. Sunlight began to roll out in November following a successful marketing test in Phoenix, Ariz.

P&G continued to test Cinch, a dishwashing liquid containing abrasives, in Kansas City, and moved it into Phoenix in April, 1982.

Also in test in Kansas City, Omaha and areas of California and West Virginia is a product that opens a new category for P&G. Brigade automatic toilet bowl cleaner dispenses metered amounts of chlorine bleaches when the toilet is flushed. It has performed very well in Kansas City and is thought to be on the verge of national rollout.

Among antiperspirant/deodorants, P&G maintained its leadership position with Secret and Sure. It is testing a silicone-based dry roll-on Sure antiperspirant in Wisconsin, Georgia and Florida.

In bar soaps the company's six brands control the $1 billion category. They include Zest (8%), Ivory (7.8%), Coast (6.7%), Safeguard (6%), Camay (4.2%).

In August, 1981, the company entered the liquid soap category with Rejoice. Testing in Houston, Rejoice is positioned for use "instead of a bar." However, much of the optimism surrounding the initial expectations for liquid soap has subsided, and observers believe Rejoice will not be launched nationally.

In shampoos, a category whose dollar volume has long been controlled by P&G, the fickle nature of the business is making it difficult for all contenders. Pert, launched with $16 million in early 1980, had a 4.2% share by mid-1982. Prell, with a 4.4% share, continued to drop. And Head & Shoulders, supplemented by a conditioning formula rolled out in late 1980, held steady at just under 12%. The company is testing a new formula of Head & Shoulders in Milwaukee.

Spending on Pert was $14 million, down 15%; on Prell, support totaled $10 million, down 8%.

The company is testing an economy-price Ivory shampoo in parts of Missouri, Maine, Vermont and Wisconisn.

Apparently determined to get into the conditioner business, the company moved Head & Shoulders conditioner, said to "instantly condition hair and help control dandruff, itch and flakes," into test in the Northwest.

Procter & Gamble continues to test Abound, a conditioner in towlette form, in Peoria; and Pert cream rinse/conditioner in Milwaukee, Nashville and Buffalo/Rochester, N.Y.

Also in haircare products, the company introduced a new formula of Lilt home perm with a mild fragrance and without amonia. Spending on the home permanent line was up 35% to $4.8 million.

After testing a number of strategies for reviving Wondra skin lotion, the company in late 1982 prepared to relaunch the brand in an upright bottle with a new formula said to "relieve dry skin better."

Once with as much as a 13% share, Wondra was down to 4.6% when the restaging was announced to retailers.

The company is competing in a category which has heated up in the past year with the entry of S.C. Johnson & Son's Soft Sense, Andrew Jergens Co.'s Jergens Aloe & Lanolin and Chesebrough-Pond's dermatology formula Vaseline Intensive Care.

While the revitalization of Crest took much of the toothpaste limelight, P&G also increased spending behind Gleem by 52%, to $11.45 million, positioning it as a plaque remover. Gleem, which holds between a 2% and 3% share, lost some ground during the year. Pace, a gel that had been testing in several areas of the country since 1980, was expanded into Omaha and Phoenix in mid-1981, then withdrawn from all markets in April, 1982.

In food products, the company began to test two new products in the Duncan Hines line. Duncan Hines "ready-to-spread" frosting began testing in Evansville, Louisville and Lexington, Ky., in four flavors in November. Duncan Hines microwave cake mix was moved into the Seattle area in a yellow flavor. The latter product is believed to be one of the first nonfrozen grocery products made specifically for microwave cooking.

Spending on the entire Duncan Hines line rose 35% to $23 million. Duncan Hines is the leader in the $750 million dessert mix category, with a 35% share. The cookie mix, launched nationally in 1980, was supported with $5.5 million.

Pringle's potato chips, long considered a major disappointment to the company, were revitalized in March, 1981, with an improved taste. Spending on the product, which had declined to $339,000, catapulted to $8 million.

In other food products, the company continued to test a butter-flavor version of Crisco shortening in Arizona.

In coffee, P&G's Folgers instant brand held steady with an 11% share, and its instant High Point decaffeinated coffee (rolled out nationally in May, 1980) chalked up a 5.5% share. Folger's ground roast coffee, which includes a high-yield flaked version lost one share point (to 24%), possibly thanks to a strong challenge from General Foods with the launch of Master Blend, which achieved a 5% share.

The company continues to test a High Point vacuum grind. It also is thought to be working on a highly aromatic coffee product. Actress Lauren Bacall was enlisted as a spokeswoman for High Point.

In soft drinks, although the company has made some formula and packaging modifications and changed the advertising themes for the products it inherited with the acqusition of Crush International, it is said still to be studying the business, and observers believe there is more activity to come.

Spending on Orange Crush was up 647% to $3 million; on Hires Root Beer it was up 255% to $875,000, and on Sun Drop it was stagnant.

Although the acquisition of the MortonNorwich pharmaceutical business is the first P&G has made in that field, the company has been moving in that direction internally for a number of years with both pharmaceuticals and paper products.

The company's prescription drugs are Osteoscan, an injected drug used to facilitate radiological diagnosis of bone disease; Didrnel, a tablet for symptoms of Paget's disease of the bone, and Topicycline, a topical antibiotic for the treatment of acne.

The company also markets Boundary, a line of surgical drapes and gowns, and Attends, a brief for use by incontinent adults.

In late 1981, P&G began to experiment with direct sales of Attends (it is marketed institutionally), advertising in *TV Guide*.

It also made the product available through the Sears, Roebuck & Co. catalog and 50 surgical supply stores and convalescent pharmacies. Although it once tested Attends at the consumer level in Idaho, that project has been discontinued.

Through its P&G productions, the company produces six regular soap operas: "Search for Tomorrow," "As the World Turns," "The Edge of Night," "The Guiding Light," "Another World" and "Texas." In March of 1981, "Search for Tomorrow" jumped from CBS to NBC.

P&G also produces prime-time shows, made-for-tv movies and specials such as "The People's Choice Awards," "Peter and Paul," "A Private Battle" and "The Patricia Neal Story."

In 1981 it announced that with Grey Advertising it would produce four two-hour first-run movies for prime time syndication.

In early 1982 the company embarked on its biggest prime-time special ever, with the coproduction and sponsorship of "Marco Polo," a 10-hour four-day miniseries.

Also in early 1982, the first of a reported 400 cases pending against P&G in the Rely tampon controversy came to trial. The cases were brought by or on behalf of toxic shock syndrome victims who contend the disease is associated with use of Rely tampons.

P&G withdrew the product in September, 1980.

The results of the court trials by mid-1982 had proven inconclusive in terms of establishing precedents.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$6,077,100	$7,976,000
Magazines	35,737,400	37,162,000
Spot tv	128,360,400	135,275,000
Network tv	393,236,000	361,077,500
Spot radio	160,300	4,196,500
Outdoor	126,200	35,500
Total measured	563,697,400	545,723,300
Unmeasured	108,060,000	103,901,000
Estimated total	671,757,400	649,624,200

MARKETING PERSONNEL

W.E. Forbis, vp-sales
W.P. Nock, sales mgr-coffee division
F.W. Caswell, sales mgr-beauty care division
J.K. Goodwin, sales mgr-bar soap & household cleaning prods division
R.W. Gibson, sales mgr-packaged soap & detergent division
V.O. Hamilton, sales mgr-paper prods division
D.J. Lahey, sales mgr-food prods division
G.M. Breissinger, sales mgr-health & personal care division
Charles O. Carroll, vp-Norwich division and genl mgr-Norwich-Eaton Pharmaceuticals

ADVERTISING PERSONNEL

R.V. Goldstein, vp-adv
B.L. Byrnes, adv mgr-coffee division
J.T. Smith, adv mgr-food prods division
E.A. Glover, adv mgr-packaged soap & detergent division
R.B. Gordon, adv mgr-bar soap & household cleaning prods division
M.S. Levy, adv mgr-health & personal care division
R.J. Herbold, adv mgr-beauty care division
W.J. Wallace, adv mgr-paper prods division
J.D. Henry, mgr-mkt rsch dept
R.S. Morrison, division mgr-genl adv dept
J.A. Wishard, division mgr-genl adv dept
R.L. Wehling, division mgr-genl adv dept

ADVERTISING AGENCIES

Benton & Bowles, New York—Bounce, Charmin, Crest, Dawn, Ivory Snow, Pampers, Scope, Wondra, Vibrant, Zest, Attends, Ivory shampoo, Pepto Bismal, Unguentine, NP-27—T. Carey, senior vp-acct director; R. Hopple, senior vp-acct directors, J. Boyd, mgmt super.

Henderson Advertising, Greemville, S.C.—Chloraseptic, Head & Chest—D. Strauss, mgmt super.

Lally, McFarland & Pantello, New York—ethical pharmaceutical prods—Ron Pantello, president.

Leo Burnett USA, Chicago—Cheer, Era, Camay, Lava, Lilt, Secret, Gleem, Abound, Cinch—P.M. Husting, senior vp-client services director.

Compton Advertising, New York—Tide, Cascade, Crisco, Top Job, Comet, Ivory bar & liquid, High Point, Duncan Hines cake, brownie and muffin mixes, Pert—P. Voss, exec vp.

Cunningham & Walsh, Chicago—Folger's, Certain, Crush, Hires, Sun Drop—W. Albright, exec vp-acct group director.

Dancer Fitzgerald Sample, New York—Bounty, White Cloud, Oxydol, Dreft, Luvs, Solo—J. Plumez, exec vp-mgmt dir.

Doyle Dane Bernbach, New York—Coast, Gain, Puritan, Rejoice—M. Harkrader Jr., senior vp-mgmt super; C. Lehmann, senior vp-mgmt super; B. Beach, senior vp-mgmt super.

Grey Advertising, New York—Downy, Joy, Bold 3, Jif, Puffs, Duncan Hines cookie mix—H. Yager, exec vp; N. Kreisberg, senior vp.

Tatham-Laird & Kudner, Chicago—Biz, Head & Shoulders, Mr. Clean—T. Collins, senior partner.

Wells, Rich, Greene, New York—Pringle's, Safeguard, Sure, Prell—J. Weinstein, senior vp-acct group head.

Young & Rubicam, New York—Ariel, Dash, Spic & Span, Brigade—C. Alexander, senior vp-mgmt super.

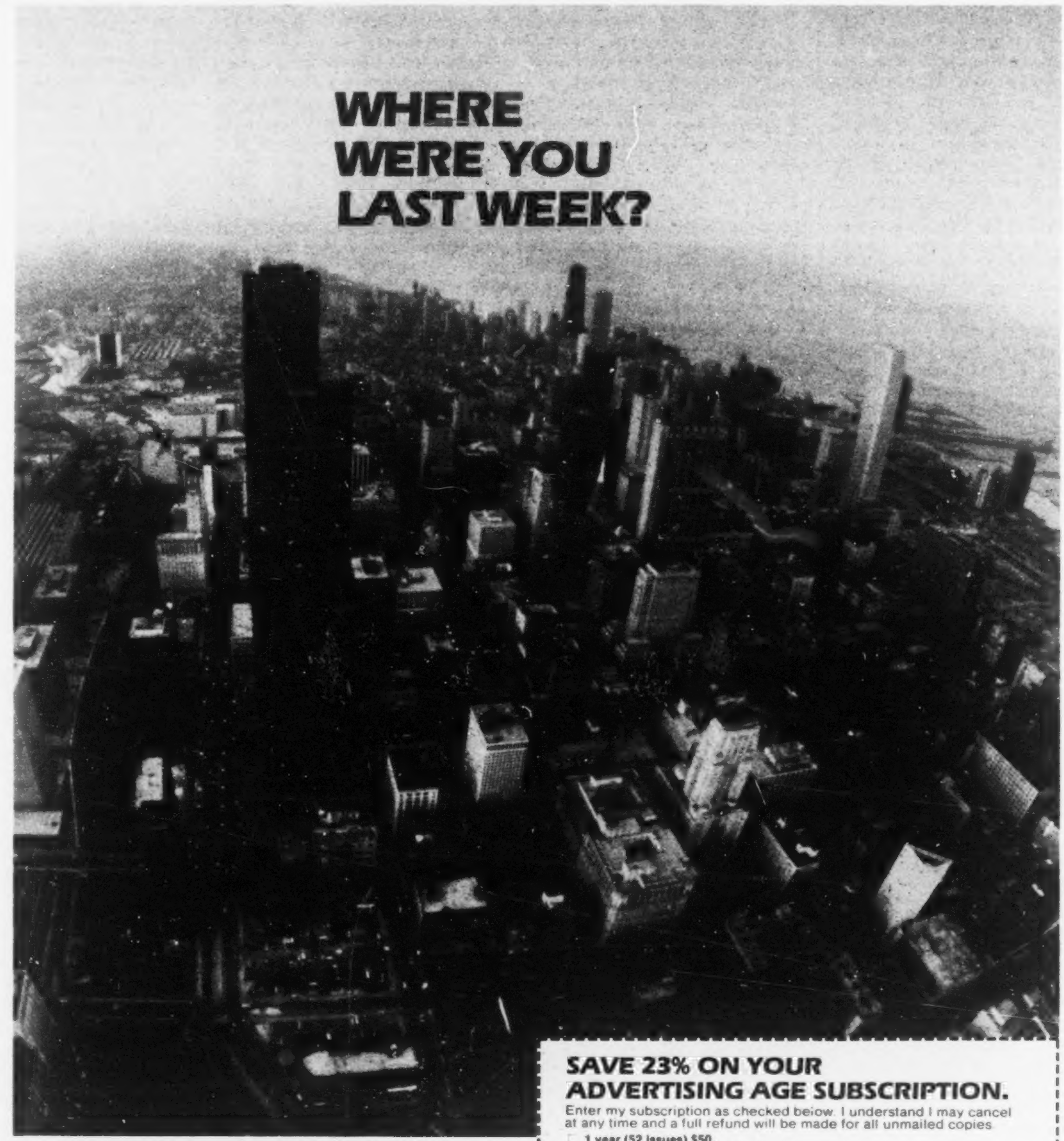
Quaker Oats Co.

	1981	1980
Sales*	$2,599,500,000	$2,405,200,000
Earnings*	105,200,000	96,400,000
Advertising**	95,597,100	99,666,700

*For fiscal years ended June 30
**AA estimate

Quaker Oats Co., Chicago, the 56th largest national advertiser, spent an estimated $95.6 million in advertising in 1981, a decrease of 4% from 1980. The largest drop came in network tv, which fell from $46.7 million in expenditures in 1980 to $34.2 million in 1981.

Sales for the 1981 fiscal year, ending June 30, 1981, were $2.6 billion, an 8% increase over last year. Earnings totaled $105.2 million, up 9% over 1980.



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For fiscal 1982, which ended June 30 of this year, sales totaled $2.70 billion, an increase of 8% over fiscal year 1981. Earnings for that period were $120.6 million, up 11%.

An international marketer of grocery products, pet foods, toys and specialty chemicals, Quaker also owns and operates specialty retail and mail-order marketing companies.

The company's largest business segment is its U.S. grocery products unit, which in 1981 had $1.05 billion in sales, a 12% increase over 1980. Sales for fiscal 1982 totaled $1.2 billion, up 13% from 1981. Over-all unit volume did decline slightly, according to the company, because of "flat tonnage trends in the grocery industry, as well as competitive pressures in the pet foods business."

During fiscal 1982, unit volume increased among human food categories, and the full year's inclusion of Ken-L Ration Kibbles 'n Bits raised the total volume above a year ago, offsetting declines of other pet food products, the company said.

Quaker's primary strategy for the grocery operation has been to focus on internal product development. Three new products introduced in 1981—Aunt Jemima Lite syrup, Ken-L Ration Kibbles 'n Bits and Chewy Granola Bars—have proved to be successful entries in their categories.

Aunt Jemima Lite syrup, a reduced-calories product, was supported by ad expenditures of $2.8 million, the major part going to network tv. The company reported the product as having increased Quaker's market share almost 50%, allowing it to reach the No. 2 position in the pancake syrup category.

Ken-L Ration Kibbles 'n Bits moved Quaker from No. 6 to No. 3 share position in the dry dog food category during fiscal 1981. In fiscal 1982, the company solidified that No. 3 position with the help of that product, as well as Tender Chunks. Measured ad expenditures for the product in fiscal 1981 were $7.3 million. A $25 million introductory advertising and promotion budget supported a Kibbles 'n Bits' campaign, handled by J. Walter Thompson USA, Chicago. It featured dogs literally singing for their supper and has been one of Quaker's most successful new product campaigns in years.

As for the Chewy Granola Bars, since being introduced in late 1981, the product has performed better than the company expected. The product, designed to crumble General Mills' Nature Valley brand dominance of the category, was supported by $1.6 million in ad spending in fiscal 1981, all in for spot tv.

Cap'n Crunch, a fortified ready-to-eat cereal, enjoyed volume growth in fiscal 1981, with a 3.6% share of the $2.5 billion market. Quaker's other ready-to-eat cereals, Life, Corn Bran and 100% Natural, all contributed to the company's 8% share of the market.

Reformulated Halfsies corn and rice cereal presweetened with aspartame has been in distribution in the central U.S. this year. According to a company official, a national rollout is expected sometime in 1983.

Quaker's hot cereal product's over-all volume was down in fiscal 1981, this being attributed to a mild winter. A harsher winter in fiscal 1982, however, helped increase the product's volume.

The company did retain its No. 1 market share in the category, and Quaker Oats is the country's best-selling cereal, hot or cold. Measured ad expenditures for the product for 1981 were $3.6 million, the majority going to network tv.

Quaker's pancake mixes and syrup, marketed under the Aunt Jemima brand, experienced strong growth in fiscal 1981, mainly because of the success of the Lite syrup. But growth in fiscal 1982 was flat—the entire market was down 3%—though Lite had volume increases above its introductory year.

Quaker also enjoys the No. 1 market share in the corn meal, grits and tortilla flour category. Last fall, a new buttermilk corn meal mix was introduced in the southeastern U.S.

Quaker markets frozen foods under both the Aunt Jemima and the Celeste frozen pizza brands. Volume was off in the frozen foods area in 1981, largely because of declining industry trends in frozen breakfast foods. Fiscal 1982, however, proved to be better, as both product categories improved. Three new pizza flavors—Canadian bacon, Suprema and Suprema without meat—began region-by-region introduction in 1981, and Aunt Jemima waffles rolled out with a new flavor—apple and cinnamon.

Wolf Brand chili, sold regionally in the southwestern U.S., continues to be profitable and seeks to strengthen its regional markets. Ad spending in 1981 totaled $151,400, most of which went for spot tv.

On April 16, Quaker's foodservice division acquired Ardmore Farms, a Florida-based processor of portion-control juice marketed primarily to hospitals, schools, airlines and fast-food chains.

Before the acquistion, the foodservice division was already marketing a line of more than 200 products, including hot and ready-to-eat cereals, Wolf Brand chili, Aunt Jemima frozen breakfast products and Burry cookies and crackers.

Quaker pet food products, marketed under the Ken-L Ration and Puss 'n Boots brands, were, of course, spurred by Kibbles 'n Bits. But industry volume trends in the canned and semimoist dog food categories declined in fiscal 1981. The company has de-emphasized its canned pet food business with the closing of two plant operations.

Quaker is currently testing Ken-L Ration Sizzlin Skillet dog food in the Midwest and New England. The dog food is packaged in 3-lb. resealable cans. In the dry dog food category, Quaker currently holds an 8% share.

Over-all cat food unit volume declined in fiscal 1982.

International grocery products, Quaker's second-largest business segment, provided about one-third of consolidated sales and almost one-fifth of operating income. Sales were $845.1 million, an increase of 16% over 1980. Operating income totaled $49.5 million, 33% over 1980.

The company's three major product categories are edible oil, pet foods and cereal in Europe. In Italy, a controlling interest in Chiari & Forti represents Quaker's largest single operating company outside the U.S. It's the leading edible oil company in Italy and manufactures Cuore brand oil.

Through a joint venture agreement reached with Henkel, the largest household products company in Germany, Quaker's Minou cat food and Fido dog food are sold and distributed. To further strengthen Quaker's position as the No. 2 marketer of pet foods in Europe, two acquisitions were made in 1981: Quaker acquired 100% of Vitto di Morando, SpA, the third-largest pet food company in Italy, and 80% of Arlaud & Serre, a French marketer of pet accessories.

The Fisher-Price Toys division represents Quaker's third major business segment. Fisher-Price introduced 65 new products at the 1982 Toy Fair in New York—its largest introduction ever. The division said it would direct tv advertising to children for the first time, in response to positive consumer testing with mothers.

Fisher-Price accounted for 15% of the company's sales in fiscal 1981. The division remains the market leader in infant and preschool toys. Measured ad support for 1981 was $9.5 million,—16% of the company's total measured advertising expenditures.

In keeping with Quaker's operating strategy of expanding direct-to-consumer business, Jos. A. Bank Clothiers was acquired in July, 1981. Jos. A. Bank is a 14-store retailer and mail-order marketer of men's and women's clothing and accessories. The chain generated more than $58 million in sales for Quaker in fiscal 1981, and the company expects that its three direct-to-consumer businesses—Herrschners, Brookstone and Bank—will realize $117.8 million in sales for fiscal 1982.

Quaker entered the home videogame market in April, 1982, by acquiring U.S. Games, a California-based marketer of videogame cartridges. Quaker's in-house agency, AdCom, handles advertising for the new unit.

On June 22, Quaker sold its Magic Pan restaurant division to private investors for an undisclosed amount. The restaurants have had minimal ad support.

AdCom, incidentally, had a new president as of June, 1982, when the agency's vp and creative director Gary Bayer succeeded Elizabeth Harrington, now vp-advertising.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$1,753,900	$961,000
Magazines	8,120,400	9,456,300
Spot tv	14,452,700	11,263,300
Network tv	34,161,400	46,653,600
Spot radio	129,100	—
Outdoor	7,200	—
Total measured	58,624,700	68,334,200
Unmeasured	36,972,400	31,332,500
Estimated total	95,597,100	99,666,700

MARKETING PERSONNEL

U.S. Grocery Products Group Staff

Frank J. Morgan, exec vp
Richard H. Glantz, corp senior vp-mgmt services
J. Byron Felter, vp-sales
Elizabeth D. Harrington, vp-adv
Max M. Lomont, vp-package design
Katherine E. Smith, vp-consumer services
Dudley M. Ruch, vp-mktg rsch
William P. Brown, director-media

Foods Division

Jack M. Young, president
Douglas W. Mills, vp-product mgmt
Philip A. Marineau, director prod mgmt, foods
Cynthia M. Vacin, director-prod mgmt, frozen foods
Susan E. Beck, Frederick J. Fritz, Barbara Allen, Elaine Bolli, J. Scott Talgo, prod group mgrs
Peter Consolazio, group mgr-promotions
David H. Burke, natl sales mgr-frozen foods

Pet Foods Division

H.E. "Pete" Rhodes, president
James B. Kauffman, vp-prod mgmt
Nancy Pitz, director-prod mgmt
M. Catherine Jaros, D. Richard Stevens, prod group mgrs

Wolf Brand Chili Products

U.B. Shockley, president
Jack E. Eadon, director of mktg

Food service Division

Russell L. Jones, vp and gen mgr
Robert D. Stoothoff, ntl sales mgr
Paul V. Baron, prod group mgr

International Grocery Products Group

Robert N. Thurston, exec vp

Fisher-Price Toys

Franklyn S. Barry Jr., president
James H. Frank, vp-genl mgr-intl
James R. Tindall, vp-genl mgr-U.S.
James W. Cudney, director of mktg
Thomas Oller, director of adv
Harold S. Tolley, director of pr

Chemicals Division

A. William Haarlow, president
William J. McKillip, vp-rsch and mktg

Direct Mail Marketing Division

Samuel B. Slade, president

Brookstone Co.

Richard Chollet, president

Herrschners

Robert Thomas, president

Jos. A. Bank Clothiers

Leonard Ginsburg, president

ADVERTISING AGENCIES

AdCom, Chicago—Cap 'n Crunch, Halfsies and other presweetened cereals, regular and instant oatmeal. Celeste pizza, Chewy Granola Bars and U.S. Games, new products—Gary Bayer, president-creative director; Joan G. Stark, vp-media director; Dennis Roy, director of acct mgmt.

BBDO, New York—Corn Bran, Life cereal, puffed cereals, Shredded Wheat, Puss 'n Boots cat foods, new prods—Charles Decker, vp-mgmt super.

BBDM Advertising, Chicago—industrial cereals—Lee Wolf, acct super.

Campbell-Mithun, Chicago—foodservice prods—David R. Seibel, president.

Conill & Associates, New York—Hispanic prods—Rafael Conill, president.

Jordan, Case & McGrath, New York—new food prods—Pat McGrath, president.

Ladd/Wells/Presba Advertising, Chicago—chemicals (foundry)—Robert Ladd, vp.

Sumner-Berry-Brown Advertising, Dallas—Wolf Brand prods—Robert E. Berry, partner.

J. Walter Thompson USA, Chicago and New York—Aunt Jemima breakfast prods, mixes and syrup, Ken-L Ration dog foods—Lloyd Stein, senior vp, mgmt super.

Waring & LaRosa, New York—Fisher-Price toys and new food prods—Saul Waring, president.

Zylke & Associates, Chicago—chemicals (nonfoundry)—Richard M. Bueschel, acct super.

RCA Corp.

	1981	1980
Sales	$8,004,800,000	$8,011,300,000
Earnings	54,000,000	315,300,000
Advertising*	208,798,300	164,328,300

*AA estimate

RCA Corp., New York, the 17th largest national advertiser, increased advertising expenditures by 27% in 1981 to $208.8 million.

Worldwide sales decreased a bit in 1981, to $8.005 billion from the $8.01 billion tallied the year before.

However, earnings plummeted by 83% to $54 million from $315.3 million in 1980. The drop has been attributed to declines in the sales of picture tubes, transportation services and broadcasting, as well as to the economy and, in particuliar, high interest rates.

The poor profits overshadowed a good year for some of RCA's divisions. RCA led in sales of both color and b&w televisions in the U.S.; the government systems division had a record year, winning in excess of $800 million in new and expanded military contracts, and C.I.T. Financial Corp. had what the company called "an outstanding year."

During the year and into 1982, RCA continued in its newly adopted policy of divesting itself of noncommunications or electronics subsidiaries. It is actively looking for a company to buy its Hertz Corp. operation and trying to sell Coronet Industries, a carpet concern.

It sold off Gibson Greeting Cards for $80 million, and it reportedly considered selling off C.I.T. Financial, but then decided against it.

At the same time, RCA is refocusing on its core electronics and communication businesses. A corporate task force has been formed to devise plans for RCA's participation in satellite communications, pay tv, interactive communications, data transmission, cable and broadcast television systems, consumer communications and entertainment services. RCA plans to build on these new business opportunities through an expansion of its own capabilities, acquisition and joint ventures. In 1982, in fact, the company ventured into cable tv with the Entertainment Channel.

The company is also on a program to cut costs by eliminating or curtailing staff activities in the U.K., Canada and Switzerland, reducing substantially its capital expenditures and cutting back on personnel. In the U.S., 75 jobs were cut in 1981.

According to chairman-ceo Thornton F. Bradshaw, RCA's strategy is not designed for an overnight turnaround. "It is designed for the long haul, capitalizing on the strengths that have been RCA's heritage," Mr. Bradshaw said. "By any measure, 1981 was one of RCA's most difficult years, reflective perhaps of both the external environment and the unsettling management changes of the recent past. But the key elements to restore stable progress are within our grasp."

The first quarter of 1982 confirms both Mr. Bradshaw's enthusiasm and his contention that the company is not headed for a quick turnaround. Sales for the first three months of 1982 totaled $1.96 billion, up slightly from the $1.94 billion reported for the same period in 1981. Earnings increased to $60.5 million, a 44% increase over the previous year.

In the first quarter, RCA Global Communications began offering domestic telex service in 70 U.S. cities and 250 countries; the solid state division introduced a videotex data terminal; RCA introduced the first eight-hour videocassette, and the service company began marketing an energy-management system and announced plans to enter the color data display tube business.

This apparent movement ahead comes on top of some shaky times in 1981, as Mr. Bradshaw noted. He had to calm some shareholders last year after Bendix Corp. bought 5.5 million shares, or 7.3%, of RCA. The RCA chief assured stockholders that Bendix was not going to take over the company or, indeed, even buy any more stock. He has also been denying persistent rumors that NBC is ready for the auction block.

Among RCA's units that Mr. Bradshaw oversees, the electronics segment is the largest, accounting for 55% of the company's sales total. It is divided up into consumer product and services; commercial products and services, and goverment systems and services. For the division as a whole, sales were up by 11%, but income was down by 43% because of costs in introducing the RCA SelectaVision videodisc player and a loss in the commercial products and services division.

Sales of consumer products and services unit were up by 20% in 1981 to $2.32 billion from $1.92 billion, while profits went up 32% to $132.2 million from $99.6 million. The principal products of the division are tv receivers (black and white and color), videocassette recorders, videodisc players and discs and records and recorded tapes.

In the past year, RCA introduced a portable 9-in. color tv, a 50-in. color projection tv receiver and unveiled its ColorTrak 2000 series. The ad budget for RCA television sets was nearly doubled, moving to $88.8 million in 1981 from $44.5 million in 1980. Measured media for color tv sets was up slightly, increasing to $14.3 million from $14.2 million last year.

The videocassette recorders operation was the first to introduce a home video camera using Newvicon tube.

Less upbeat news came in the videodisc player category. After investing more than $200 million in the development of SelectaVision videodisc players, RCA introduced the product last year. But consumer reception did not approach the company's lofty expectations. RCA predicted 200,000 units would be sold in the first year; only 60,000 videodisc players were sold in the first six months.

The system, called "CED" (capacitance electronic disc), consists of a player and record-like disc that produces sound and pictures for display on a tv screen. The company spent $8.7 million in measured media to promote the new product.

While the players were not doing as well as expected, videodisc sales were substantially stronger.

More than 2 million discs were sold in 1981, and, as a result, production capability has been increased by more than 300%.

In more conventional technology, the bottom line for RCA's records and recorded tapes suffered in 1981, despite increased sales and profits. While the division fared well in the U.S., the same cannot be said for overseas, where the strong U.S. dollar and poor economic conditions in Europe and South America resulted in a depressed bottom line—for the second year in a row. The company made a significant artist acquisition in 1981—it signed Diana Ross to its roster. The division spent $1.89 million in measured media, a 62% increase over 1980.

The $6 million RCA Music Service account, part of RCA's consumer products and services unit, changed agencies last year, going to Rapp & Collins from Tatham-Laird & Kudner and then a few months later from Rapp & Collins to Benton & Bowles.

NBC, in the meantime, had a sales increase of 6% to $1.62 billion from $1.52 billion in 1980, while profits skidded 36% to $48.1 million as a result of low audience ratings, a write-down of certain program material and increased programing costs.

In an attempt to spruce up the NBC act, a management overhaul took place last July. With Mr. Bradshaw at the helm of RCA, Grant A. Tinker took over as chairman-chief executive officer of NBC, Robert E. Mulholland became president-chief operating officer and Irwin B. Segelstein was named vice-chairman. Herbert Schlosser, formerly NBC network president, enjoyed an upward turn in fortunes in 1981, when Mr. Bradshaw named him in charge of all the company's home entertainment software activities, except the National Broadcasting Co.

But the outlook is not as rosy for NBC. While the network boasts that its "pride is showing," fewer people are watching it than the other networks. Mr. Tinker himself said the network is in its "11th hour." NBC came in third behind CBS and ABC for the whole of 1981. It also didn't help that a 13-week strike by the writers delayed the start of the 1981 season until 1982.

The network did score a winner with "Hill Street Blues," the highly acclaimed police series. The "Today" show added new blood with Bryant Gumbel and Chris Wallace, filling the gap left by Tom Brokaw when he became a co-anchor on the nightly news. In the summer of 1982, "Today" added another half hour in its continual battle to fend off the prime competition, ABC's "Good Morning America." In the daytime soap battle, NBC was again the cellar dweller.

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As I See it

BRAND EXPENDITURES
by TOM MILLER
executive vice president
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MEASURING MEDIA . . .

Brand Expenditures. A good place to begin . . . a good place to end.

Measuring media for its advertising content is done by independently held companies in co-operation with the media. These measurements provide a breakdown of brand expenditures.

Brand expenditures answer the very first question often asked by advertisers: How much do I have to spend? For it is competitive brand expenditures that indicate how much is necessary to spend to keep up with the competition, or how much it will cost to introduce a new brand into the marketplace; the price of admission. An analysis of brand expenditures can also lend insight to a brand's marketing strategy — the overall media-mix, the selection of the individual vehicles within a particular medium, regionality, seasonal variation, etc. But in the beginning, the question is how much? How much are they spending? How much will I have to spend?

Once a brand's ad budget is determined, the other measurement services come into play to provide additional marketing intelligence: Audience measurement, sales measurement, measurement of the market itself.

Audience measurement, which provides a profile of the reader/viewer/listener helps direct where advertising dollars are to be spent. Naturally, these dollars are going to be placed in those media whose audience has a high buying/usage profile of a particular product type. And within the media, in the magazines, on the programs, and during the dayparts that will reach the heavy user. Determine who the heavy user is, find out what they read, look at and listen to, and you have come a long way in determining where to place ad dollars. Audience measurement: Key marketing intelligence.

Sales measurement — A tracking of product movement, whether it is off the shelf or out of the warehouse, can be a great aid in determining *when* to spend. Sales measurement provides the sought-after share of market figures, as well as analytical data for those whose bent it is to show advertising effectiveness. Naturally, you spend when your market is buying or shortly before, and data supplied by the sales measurement services tells you when they are buying. This is not necessarily a simple decision. All the money spent on advertising sunglasses during the winter months is not directed at the skiing market. The major manufacturers know sunglasses are an impulse item. Drug and sundry stores buy their sunglass display units in the winter and that is when to advertise. Know thy market — and where it is. In this vast country, there are tremendous regional variations. In Aspen, happiness is a dog and a jeep. The Southeast, for reasons we will not go into here, is a heavy pet food market. The sales measurement services show these seasonal and regional variations of spending patterns.

Measuring the marketplace — Thousands of door-to-door interviews in the field and in the store, are often directly fed back to those interviewed in the creative and copy approach to a particular campaign. Chances are that, "I like its clean, fresh smell" did not come out of a copywriter's head but directly off an interviewer's sheet, tabulated in some editing and coding department in one of the many market measurement companies. A new product or the emphasis of a specific attribute of an existing product comes from ideas expressed in the field — the marketplace — whose measurement is another essential ingredient of marketing intelligence.

All of the major and once minor brands utilize these measurement services. Services are subscribed to, reports received, data analyzed. It is a long and costly process to obtain and review the available information which gives the industry its expertise. At the end of all of the acquisition and analysis of services used to determine how much to spend, where to spend, when to spend and what to say, advertising dollars are spent; time is bought, space purchased. And we come full circle — back to the media measurement services. We tell you who spent, how much, where, when and against whom.

Brand expenditures — A good place to begin . . . a good place to end.

LNA

Since the beginning of the 1981-82 prime time season, NBC has lost about 800,000 homes. In the February sweeps, 130 NBC affiliates lost ground—only 33 improved and 13 stayed even. The network's measured media spending was increased 5% to $14.9 million from $14.2 million in 1980.

NBC Radio Network had better fortunes, as it continued to attract more listeners than any other network, according to the company. Its eight owned am and fm stations hit record listener levels in 1981. NBC's "The Source" network claimed the largest share of listeners aged 18 to 34 years old. In measured spending, the radio network spent less in measured media in 1981 than in 1980, dropping to $292,500 from $911,700.

RCA's transportation services, specifically the Hertz Corp., suffered in 1981. Sales were up 11% to $1.4 billion, but profits dove 72%. The drop is attributed to a special charge to cover the restructuring of truck operations, higher interest costs incurred in financing an expanded vehicle fleet and reduced profit margins. RCA is hoping to find a buyer for Hertz, thereby lifting a $1.3 million debt off its balance sheets.

It is speculated that RCA is asking $750 million for Hertz. For a while last spring, RCA thought it had found its saviour in the Firestone Tire & Rubber Co., but those talks broke off without a sale.

The Hertz car rental segment introduced a new rate structure last year, eliminating mileage charges and giving a guaranteed flat rate. As the company gained in its airport market share, it expanded its facilities or added new ones in the airpports in Los Angeles, Chicago, Atlanta, Houston and Boston.

Measured media spending for the segment was up 42% in 1981, to $10.4 million from $7.28 million in 1980. The company has signed former Buffalo Bills running back great O.J. Simpson for yet another year of rushing and flying through airports.

Sales for RCA's communications segment were up 6% in 1981, reaching $269.8 million, compared with the $253.5 million recorded the year before. A new subsidiary was formed in 1981—RCA Communications. It was designed to consolidate RCA's communications businesses and "to provide them with over-all strategic direction and financial planning."

C.I.T. Financial Services suffered a slight decline in equity in profit before taxes on income, slipping to $168.3 million from $177.4 in 1980 as a result of reduced net yield on the receivables portfolio restated in 1980. The company's financial portfolio exceeded $7.2 billion by the end of 1981, an increase of $1.8 billion over 1980. The portfolio makeup includes 53% industrial financing and leasing receivables, 33% consumer receivables and 14% factoring, commercial financing and wholesale receivables.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$29,536,900	$25,122,100
Magazines	27,329,500	24,176,800
Spot tv	12,021,000	6,212,800
Network tv	36,273,900	19,873,800
Spot radio	296,300	182,600
Network radio	2,022,100	1,409,500
Outdoor	348,500	319,700
Total measured	107,828,200	77,297,300
Unmeasured	100,970,100	87,031,000
Estimated total	208,798,300	164,328,300

CORPORATE MARKETING STAFF

K.W. Bilby, exec vp-corporate affairs
T.B. Ross, vp-corporate communications
D.L. Alligood, director-corporate adv
L.M. Berberian, staff vp-mktg
Joel Wolk, director, adv liaison & media services

ADVERTISING AGENCIES

Ted Bates & Co., New York—RCA corporate adv—Lee Hines, mgmt super; Irene Lubgan, acct exec.

Uniworld Group, New York—RCA community affairs—Bryon Lewis, president; Bernard Baskett, acct super; Wayne Shealy, acct exec.

CONSUMER ELECTRONICS DIVISION

MARKETING PERSONNEL

Arnold T. Valencia, president, RCA Distributing Corp. and RCA Sales Corp.
J.K. DeVoe, vp-consumer communications
W.S. Beres, natl adv mgr.
L. Small, retail & Canadian adv mgr.
David Croner, vp-mktg operations

ADVERTISING AGENCY

Leo Burnett USA, Chicago—Dennis Dunlap, vp-mgmt director; Jackson Brown, vp-acct director-color tv, vcr & videodisc player; John Kerastas, acct exec, tv; Jim McNitt, acct exec, vcr; Leslie Weil, acct exec, videodisc.

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SELECTAVISION VIDEODISCS

MARKETING PERSONNEL

Howard Ballon, dir-mktg
Alan Blumenthal, dir-adv

ADVERTISING AGENCY

Dancer Fitzgerald Sample, New York—SelectaVision videodisc software—Bob Weckes, mgmt super; Kurt Graetzer, acct super.

RCA LTD. (CANADA)

MARKETING PERSONNEL

J.K. DeVoe, vp-consumer communication
L. Small, mgr-Canadian and retail adv
Burton Prosser, vp-merchandising, Canada.

C.I.T. FINANCIAL CORP.

MARKETING PERSONNEL

Michael Nettleton, vp-mktg, C.I.T. Financial Service
Barry Sideroff, vp-adv, C.I.T. Financial Service
G.S. Kessler, vp-mktg, C.I.T. Corp.

ADVERTISING AGENCY

Kelly, Nason, New York—C.I.T. financial services—Carl Gehron, vp-acct super.

RCA SERVICE CO.

MARKETING PERSONNEL

E.A. Malm, division vp-telephone systems & data serv
L.D. Chitwood, division vp-consumer services mktg
R. Zieselman, mktg services mgr

ADVERTISING AGENCY

Al Paul Lefton Co., New York and Philadelphia—J.W. North, mgmt super; Herb Rosen, acct super; Robert Ellis, acct exec.

Richard Bandler Co., New York—William Young, vp.

DISTRIBUTOR & SPECIAL PRODUCTS DIVISION

MARKETING PERSONNEL

D. Weisensten, division vp-merch
H.L. Craton, division vp-sales
A.D. Ricketti, mgr-adv & sales promo

ADVERTISING AGENCY

Al Paul Lefton Co., Philadelphia—Ken Haverstick, acct exec.

RCA RECORDS

MARKETING PERSONNEL

Jack Chudnoff, vp-merch
Jack Craigo, vp-mktg
Tony King, director-creative services
Barbara Sisilli, adv media mgr

ADVERTISING AGENCY

Grey Advertising, New York-Len Fogge, acct exec.

CORONET INDUSTRIES

MARKETING PERSONNEL

Wendell Pierce, director-adv, promo & publicity

HERTZ CORP.

MARKETING PERSONNEL

Hal Bingaman, vp-mktg
Thomas W. Jans, division vp-mktg, rent a car div

ADVERTISING AGENCY

Scali, McCabe, Sloves, New York—car div—Murray Gaylord, mgmt super; Steve Friedman, acct super.

NATIONAL BROADCASTING CO.

MARKETING PERSONNEL

Steve Sohmer, vp-adv & creative services
Paula Mermelstein, vp-on-air promo & print copy
Charles V. Blake, vp-print & design
Chuck Stepner, vp-special projects (West Coast)
Jay Michelis, vp-talent relations & creative services (West Coast)
Noel Engler, vp-adv & on-air promo (West Coast)
Frank Pintauro, vp-adv operations
Robert Blackmore, vp-sales
John Nesvig, vp-mktg
Don Eddy, director-mktg services
Hal Alterman, director-mktg projects

ADVERTISING AGENCY

McCann-Erickson, New York—Jim Kuras, exec vp; Frank Pascual, acct exec; John Dunn, senior vp; Rebecca Tudor, creative group head; Vince Tortorelli, media group head; Judy Sullivan, media planner.

RCA MUSIC SERVICE

MARKETING PERSONNEL

Robert Gordon, division vp-music service
Raju Puthukarai, dir-mkt & planning
Richard Rubin, mgr-creative services

ADVERTISING AENCY

Benton & Bowles, New York.

COMMERCIAL COMMUNICATIONS SYSTEMS DIVISION

MARKETING PERSONNEL

J.B. Howe, division vp-genl mgr
W.A. Taylor, division vp-mktg
Miles Moon, creative services mgr
James Gimbel, director-intl mktg
Don Reinert, mktg mgr-cablevision systems

ADVERTISING AENCY

RCA Creative Services (inhouse)—Miles Moon, dept mgr; A.M. Hilliard, adv & sales promo dept mgr.

RCA PICTURE TUBE DIVISION

John Rittenhouse, division vp-genl mgr
F.P. McCaffrey, mgr-mkt research & export sales
Ray Horn, admin, news & info

SOLID STATE DIVISION

MARKETING PERSONNEL

Lon Cantor, director-communications & adv
D.W. Ludlum, mgr-adv & sales promo, solid state
J.F. Chattin, mgr-adv & sales promo & publications, electro optics & devices

ADVERTISING AGENCY

Cappiello & Chabrowe, New York—Terry Chabrowe, acct super.

RCA GLOBAL COMMUNICATIONS

MARKETING PERSONNEL

Ken Gross, vp-mktg & sales
Dan Dwyer, senior adv rep
Joe Cisno, genl sales mgr
Ed Yeaker, mgr-adv
Jon Plet, senior adv admin

ADVERTISING AGENCY

Ronald B. Mitchell Associates, Bethesda, Md.—Ron Mitchell, pres.

RCA AMERICAN COMMUNICATIONS

MARKETING PERSONNEL

John Williamson, director-public affairs

ADVERTISING AGENCY

Hammond & Farrell, New York—Jeff Kaumeyer, vp.

GOVERNMENT SYSTEMS DIVISION

MARKETING PERSONNEL

Paul E. Wright, division vp-genl mgr
F.H. Stelter, division vp-mktg
N.F. Pensiero, director-public affairs
David Shore, division vp-business devel
C.A. Schmidt, division vp & genl mgr-astro-electronics
A.T. Hospodor, division vp & genl mgr-automated systems
A.C. Thompson, mktg director-govt communications systems
J.E. Murname, mktg director-automated systems
J. Durbin, mktg director-missile & missile radar

ADVERTISING AGENCY

Al Paul Lefton Co., Philadelphia—Richard Rossi, acct exec.

Ralston Purina Co.

	1981	1980
Sales	$5,224,700,000*	$4,873,200,000
Earnings	174,800,000*	163,000,000
Advertising**	192,984,000	206,794,860

*Fiscal year ended Sept. 30, 1981
**AA estimate

Ralston Purina Co., St. Louis, the 25th largest national advertiser, reduced domestic advertising spending in 1981 to an estimated $193.0 million, down 7% from $206.8 million in 1980.

The company tallied alltime record earnings and sales in the fiscal year ending Sept. 30, 1981. Total sales reached $5.22 billion compared with $4.87 billion last year, a 7% increase. Net earnings were $174.8 million in 1981, also a 7% increase from 1980, when earnings totaled $163 million.

Ralston Purina's operations comprise three main units: Worldwide animal feeds, domestic and worldwide grocery products and Foodmaker, the San Diego-based restaurant subsidiary consisting of Jack in the Box and Continental Restaurant Systems. During fiscal 1981, the animal feed operations produced 40% of the company's total sales and 29% of its earnings. Domestic grocery products accounted for 25% of sales, but contributed 52% of profits. Foodmaker's sales were 11% of total sales and 11% of earnings.

As 1981 unfolded, it became clear through a series of management changes and through the company's actions that Ralston Purina would devote itself to refreshing and restaging many of its existing grocery products. That process included new packaging for a number of brands and new operating strategies for other products to accommodate the shift in consumer markets to generic items, house brands and "value" labels.

The move was a departure from the company's actions in previous years when it kept up an accelerated new product introduction pace in pet foods and cereals, its primary grocery products categories. The strategy shift led to decreases in advertising expenditures for the year.

A decision to deemphasize advertising support for the Chicken of the Sea brand also contributed to the decline.

On the other hand, the company's Jack in the Box restaurants received increased support, as the chain introduced new products throughout the year and battled to recoup sales after receiving adverse publicity.

A management succession occurred during the year, resulting in a number of corporate personnel changes. William P. Stiritz, group vp-grocery products and restaurant operations, was chosen to succeed R. Hal Dean as the company's president in January, 1981. He added the chief executive officer title in July, 1981, and later, in January, 1982, was named chairman. Paul Cornelsen, vice-chairman and chief operating officer, resigned his post in September, 1981. The move was expected by company watchers after Mr. Stritz was chosen for the top job.

In the marketing area, William H. Lacey, vp-director of marketing, grocery products division, was named president, grocery products, succeeding Mr. Stiritz.

In March, 1981, Blair Gensamer, division vp-director of marketing, cat food, was named to a new post handling pet food marketing; in spring, 1982, he became division vp-director of marketing for all grocery products.

William Claggett continued in his post as division vp-director, advertising & marketing services.

All three of Ralston Purina's major grocery products businesses—dog food, cat food and cereal—recorded higher earnings in 1981. Competition continued to be fierce. The result was a high level of trade promotions and allowances in all three categories.

Van Camp tuna products and Country Stand fresh mushrooms were the two earnings trouble spots for the company, and analysts speculated that both businesses were potential divestiture candidates. In a cost-saving and marketing-related measure, the tuna operation's marketing, distribution and sales functions were integrated into the company's grocery products unit in June, 1981.

In the dry dog food business, the company's traditional stronghold, Ralston Purina dominated the category with an estimated 45% share of the market in retail sales in 1981. Sales of generic and private label products grew rapidly as consumers tended to trade down in the recessionary environment of 1981.

The company benefited throughout 1981 from several dog food product relaunches started in late 1980 and early 1981. Purina Dog Chow, the flagship brand, received renewed advertising support in 1981 after the company redesigned its package in late 1980—the first change in 25 years. Measured media spending hit $5.9 million, a 103% increase over the 1980 figure, $2.9 million. Chuck Wagon, which had experienced share declines for several years, was reformulated and reintroduced as a three-particle product in January, 1981. Advertising and promotion dramatically increased for the brand, to $7 million in 1981, from $2.6 million, a 169% increase.

In February, 1981, the company relaunched High Protein Dog Meal under the name High Protein Plus. It followed in May, 1981, with a line extension, High Protein Flavors. Measured ad support for the change was small for the category—$677,200.

Moist & Chunky, a soft-moist brand introduced in the late 1970s to counter Quaker Oats Co.'s Tender Chunks line, also received a boost in late 1981. The brand, which had fallen to a 1% share of the market, underwent a package design change, including a down-sizing to 4 lb. and 8 lb. sizes. It also got some advertising and couponing support in the first half of 1982. In 1981, however, there was no measured media support. Retailers were skeptical about the changes and the brand's chances for future success, according to industry sources.

Mainstay, a highly touted and much-advertised brand launched in early 1980, received a new lease on life from the company late in 1981. Reacting to the volume and share gains of low price brands, the company reintroduced Mainstay as a "value" brand, dropping its flavored-particle presentation in favor of more traditional chunks. The brand was repackaged, downsized to 4 lb. and 8 lb. sizes and priced at levels between the generics and Purina Dog Chow. The original Mainstay received only $350,000 in measured media support in 1981 (compared with the introductory level of $11.2 million in 1980). When the new, low-priced version hit supermarket shelves in early 1982, the company supported it with coupons only, and indications were that the brand would be unadvertised.

Ad and promotion spending dropped significantly for a number of other dog food products. Hero, a dry dog food formulated for large breed dogs and puppies, was supported with a $2.8 million measured media budget in its second year of distribution, down 56% from $6.3 million in 1980, its first year of national distribution. In June, 1982, the brand hovered at only about a 1% share. The Fit & Trim brand lost virtually all of its support in 1981: Its budget was $63,000, against $2.4 million in 1980.

The company also made cuts in the three-item Blend line. The brands received about $1 million in 1981, compared with $3 million in 1980. In May, 1982, the Butcher's Blend brand was repackaged in 9 lb. and 4.5 lb. bags, reflecting another downsizing effort.

Support for Bonz, a dog snack launched in 1979, dropped dramatically during the year, but the brand maintained its No. 2 status behind Nabisco's Milk-Bone. In 1981, Bonz' measured media expenditures were $1.7 million, against $7.2 million in 1980, a 77% reduction. Both Purina High Protein Dog Meal and Puppy Chow spending stayed about the same during the year.

New product testing in the dog food category was downplayed in light of the relaunching efforts. Maverick, a semimoist brand packed in a canister, was pulled from Erie, Pa., and Peoria, Ill., tests in January, 1981. In the spring of 1982, Ralston started selling Thrive dry dog food in Ohio, Pittsburgh, Phoenix-Tucson, Houston and Jacksonville-Tampa, Fla., test markets.

Cat food sales and market share, in the meantime, fared well in 1981 in a category that continued to outpace the rest of the pet food industry. The company said its volume outperformed the market, and all three categories—dry, semimoist and canned—were ahead of 1980. Thrive, a major new dry cat food, rolled out in January, 1981. The brand received $10.3 million in measured media support, making it the product to capture the highest expenditures in 1981.

The company wrestled with its problems in the canned cat food market in 1981 and early 1982 through an array of marketing strategies. In March, 1981, Ralston introduced Purina 100, a new brand, replacing its Purina Variety Menu line. At the time of the introduction, the company said it would get out of the canned cat food business if the product failed.

The product did not fail, but by late 1981, the company decided it could make better inroads on category leaders Star-Kist's 9-Lives and Carnation's Friskies Buffet by cutting the price and converting Purina 100 into a low-price, value brand. By year's end, it had captured about 10% of retail sales in the estimated $700 million gourmet canned cat food market.

With the new positioning, advertising and consumer promotion support for Purina 100 was virtually eliminated. Until the strategy switch, the company had spent $5.3 million on measured media. In July, 1982, Ralston took a step back into the canned market with Meow Mix Meals, a test market product in western New York and Denver.

Purina Cat Chow continued to maintain its leading position in the dry cat food category during the year, but it received less measured media support. The company spent $6 million behind the brand in 1981, compared with $8.3 in 1980. Good Mews, another dry brand, also was cut: Spending dropped from $3.5 million in 1980 to $741,100 in 1981. Spending on Whisker Lickins and Tender Vittles semimoist brands also decreased in 1981.

During the year, Ralston Purina got into one new business and out of another. In late 1981, the company started testing its first nonfood pet product, Top Secret, a cat litter deodorizer, in Marion, Ind., and Pittsfield, Mass. And in October, 1981, the company announced the sale of the Deco Plants division, a home party direct sales operation. Officials said the division did not fit into long-range goals.

In the cereal business, Ralston Purina continued to achieve success in 1981. Both branded and private label cereals had record sales and earnings, recording the largest year-to-year advances in the company's history. Two national introductions in 1980—Wheat & Raisin Chex and Waffelos—helped spur growth in 1981, and both brands were heavily advertised. Waffelos was backed by $6.1 million in measured media in 1981, its first full year in national distribution. This came as spending for the entire Chex line was down about 6% in 1981, from $9.5 million last year to $8.9 million.

The company introduced a Blueberry Waffelos line extension and Dinky Donuts in 1981. The latter was the object of some competitive wrangling between Ralston Purina and General Mills, which put its Donutz brand in one of the same test markets, and then, nationwide. Ralston filed a trademark infringement and unfair competition complaint in late March, 1981. The suit was settled out of court in September, 1981.

In April, 1982, Ralston's children's cereal agency, McDonald & Little, Atlanta, resigned the $12 million account. The agency had been purchased in 1981 by Ted Bates Worldwide, and Bates' Campbell-Mithun subsidiary handles several General Mills adult and family cereals.

After an extended agency review, the company reassigned the children's cereals brands and several other products in July. Don Tennant Co., Chicago, was awarded Cookie-Crisp cereals and Dinky Donuts; Avrett, Free & Fischer, New York, was assigned Waffelos. As part of a realignment, Ralston Purina moved the Special Dinners cat food brand and Chicken of the Sea tuna account to TBWA Advertising, New York, which had handled the latter brand on a project basis during the year. The assignment represented the first major piece of domestic Ralston Purina business for TBWA, which handles some company products in France and Germany.

Jack in the Box restaurants suffered from adverse publicity in 1981 that temporarily affected sales and earnings. In August, 1981, U.S. Department of Agriculture inspectors discovered Australian horsemeat in meat shipments headed for Jack in the Box restaurants.

The 800-unit chain subsequently switched to American-grown beef and increased ad support to emphasize the chain's quality products.

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versy, the chain continued to aggressively launch new products and increase advertising and sales promotion to support them.

Measured media spending for Jack in the Box during the year jumped 11%, to $9.8 million in 1981 from $8.8 million in 1980.

New products—the focus of the advertising—included the Bacon Cheeseburger Supreme and the Club Supreme, which came out in 1981. Through mid-1982, Jack in the Box rolled out the Hot Beef & Cheese Supreme, a Crescent Breakfast line and individual salads. The chain compared its new products to McDonald's and Burger King in a campaign started at year's end and directed at the leaders.

The company announced its intention to again start franchising Jack in the Box in 1982. The program would include existing units as well as new restaurants. Remodeling and renovation programs also were put into place during the year.

Continental Restaurant Systems, the company's chain of approximately 85 diverse full service restaurants, reached record sales and earnings levels in 1981 with average annual unit sales at more than $1.5 million. The company targeted its Carlos Murphy's restaurant concept, launched in 1979, as a major growth vehicle for the division.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$1,175,800	$2,184,900
Magazines	11,604,200	13,541,200
Farm publications	770,700	695,100
Spot tv	18,245,200	20,060,600
Network tv	66,713,500	73,386,200
Spot radio	4,987,600	4,969,400
Outdoor	5,000	50,300
Total measured	103,502,000	114,887,700
Unmeasured	89,482,000	91,907,160
Estimated total	192,984,000	206,794,860

GROCERY PRODUCTS

W.H. Lacey, president

MARKETING PERSONNEL

W.M. Claggett, div vp-director, adv/mktg services

B.E. Gensamer, div vp-director of mktg

ADVERTISING AGENCIES

Avrett, Free & Fischer, New York—Purina 100, Kitten Chow, Cat Chow, Good Mews cat foods; Waffelos children's cereal; new prods—Ron Thomas, senior vp-director client services.

Checkerboard Advertising Co., St. Louis (house agency)—professional marketing group; new prods.

Della Femina Travisano & Partners, New York—new prods—Jerry Della Femina, chairman.

Don Tennant Co., Chicago—Whisker Lickins, Thrive cat foods; Thrive dog food; Cookie-Crisp, Dinky Donuts children's cereals; new prods—Tom Prchal, director, client services.

Drossman Yustein Clowes, New York—Meow Mix cat food—Matthew Mansfield, vp-mgmt super.

Gardner Advertising Co., St. Louis—Puppy Chow, Fit & Trim, Chuck Wagon dog foods; Bonz dog snacks; new prods—John Fox, acct dir.

MCA Advertising, New York—Mainstay, Hero dog foods; High Protein dog meals; new prods—Warren Dechter, exec vp.

TBWA Advertising, New York—Chicken of the Sea tuna; Special Dinners cat food; new prods—William Tragos, chairman-ceo.

Tatham-Laird & Kudner, Chicago—Happy Cat cat food; Top Secret cat litter deodorizer; new prods—Robert Cappelli, senior partner.

Wells, Rich, Greene, New York—Purina Dog Chow, Blends, Moist & Chunky dog foods; Tender Vittles cat food; Chex cereals, new prods—E.R. Petray, New York, senior vp.

RESTAURANT DIVISION FOODMAKER INC.

MARKETING PERSONNEL

J.W. Goodall Jr., corporate vp and president & ceo, Foodmaker

T.W. Doan, exec vp, Continental Restaurant Systems

Jay Brown, corp vp-mktg director, Jack in the Box

R.L. Hogan, div vp-retail mktg, Jack in the Box

J.L. Evans, div vp-mktg, Continental Restaurant Systems

J.W. Hickman, director of adv, Continental Restaurant Systems

ADVERTISING AGENCIES

WRG/West, Los Angeles—Jack in the Box—Barry Klein, senior vp-group head

Cochrane Chase, Livingston & Co., Irvine, Cal.—Continental Restaurant Systems—Marvin Maron, acct super.

CHOW/PRODUCE PRODUCTS DIVISION

W.M. Jones, corporate vp and president

MARKETING PERSONNEL

Chow

E.L. McMillan, div vp-mktg director

Produce Products

R.R. Reeves, div vp-director

J.W. Gerber, director-sales, marketing & distribution

ADVERTISING AGENCIES

Fletcher/Mayo, St. Joseph, Mo.—Frank Christman, acct super.

BFV&L Advertising, St. Louis—health industries—Mark Lashly, mgmt rep.

Checkerboard Advertising Co., St. Louis (house agency)—Lifestyle horse feeds; special projects.

Dorf/MJH, New York—prod publicity projects—Alex Stanton, acct super.

Valentine Radford, Kansas City—dealer adv—Phil Schroeder, acct super.

BFV&L—Country Stand fresh mushrooms and produce—J. Mark Lashley, president.

RALSTON PURINA INTERNATIONAL

T.H. Mullenix, president, Ralston Purina International.

MARKETING PERSONNEL

E.S. Farrelly, div vp-director, agriproducts mktg

V.L.E. Stisser, div vp-mng director, Asia, Pacific and Canada div

D.A. Mefford, mng director, European div

R.N. Morrow, div vp-president & managing director, Mexican div

J.C. Langley, div vp-genl mgr, Lance

L.A. Van Houten, div vp-mng director, South and Central American div

A.V.L. Brokaw, director, consumer prods mktg

DIVERSIFIED BUSINESSES DIVISION

P.H. Hatfield, president

MARKETING PERSONNEL

A.C. Edwards, div vp-mng director

J.V. Heinz, director, sales

R.M. Moeller, managing director-mariculture operations

D.B. Smart, vp-director-foodservice

ADVERTISING AGENCIES

Burson-Marsteller, Chicago—protein and dairy food systems

Mandabach & Simms, Chicago—food service—Ron W. Plummer, vp-director

ENTERTAINMENT GROUP

MARKETING PERSONNEL

Keystone International

R.A. Maynard, president

J.D. Jones, vp-mktg

S.R. Corneillier, director of mktg

St. Louis Blues (hockey team)

E.P. Francis, pres & genl mgr

D. Shasserre, director of mktg

ADVERTISING AGENCIES

Heckler Associates, Seattle—Keystone—Terry Heckler, president.

Checkerboard Advertising Co. (house agency), St. Louis—media for Keystone and Blues.

Donnelly Advertising, St. Louis—creative, promos for Blues.

Revlon Inc.

	1981	1980
Sales	$2,365,938,000	2,203,324,000
Earnings	174,821,000	192,407,000
Advertising*	106,638,750	105,430,400

*AA estimate

Revlon Inc., New York, the 50th largest national advertiser, increased its advertising by approximately 1% in 1981 to $106.6 million. The company placed its worldwide ad expenditures at $198.9 million, an 8.4% increase over the $183.5 spent in 1980.

Sales increased to about $2.37 billion in 1981, up by approximately 7% over the previous year's volume of $2.20 billion. Sales in the first half of 1982 climbed a fraction of a per cent, rising to $1.13 billion from $1.12 billion over the same period in 1981.

Despite the sales gains, however, earnings declined for the first time in the company's history in 1981, by about 9% from the 1980 level.

The drop continued in 1982 as first half earnings declined 27% to $67.7 million from the $92.2 million recorded in the first half of 1981.

The decrease in earnings in 1981, from $192.4 million to $174.8 million, has been attributed primarily to adverse currency developments and foreign business troubles. These developments prompted Wall Street to question the company's credibility and to remove the stock from buy recommendation lists, analysts said at the time.

Still, net return on sales was 7.4% and return on equity was 18.6%, ratios that allow the company to boast a bit.

The healthcare/beauty aids marketer continued to show a greater annual growth rate in sales of its healthcare products than in beauty products this year. But the latter's domestic business contributed high operating profits.

Sales of Revlon's healthcare group rose by 4%, or $978 million, to $1.11 billion in 1981, accounting for about 47% of total sales, compared with 45% in 1980. Operating profits in 1981 were $152.2 million, down by 11% from 1980's $171.3 million.

Beauty products now account for 53% of total sales, compared with 55% in 1980. In 1981, the beauty product category registered a $1.25 billion volume for the company, compared with $1.23 billion in 1980.

But operating profit for the beauty business dropped to $207.5 million in 1981, down 3.4% from the previous year's $214.9 million. Operating profit from outside the U.S., Canada and Puerto Rico was $21.8 million, down from $36.6 million in 1980.

The domestic division, however, contributed $820.7 million in sales, or 35% of total corporate sales, up 6.3% from 1980. Operating profit rose from $178.3 million in 1980 to $185.8 million in 1981, accounting for an estimated 52% of total operating profit.

A worldwide breakdown shows that 31% of net sales comes from cosmetics and fragrances, 22% from beauty care and treatment, 18% from ethical pharmaceuticals, 15% from diagnostic products, 6% from vision care and 8% from other health products and services.

In 1981, the U.S., Canada and Puerto Rico accounted for $1.52 billion of total sales; Europe, Middle East and Africa, $533.9 million and other areas of the world, $307.7 million. During 1981, Revlon spent $17 million revamping some of its overseas operations.

While the company opted to retain full ownership of its operations in larger countries, it became a distributor in secondary and tertiary countries including Austria, the Low Countries and Switzerland.

Although the company continued to be committed to research and development, boosting expenditures in this area from $69.4 million in 1980 to $91.3 million in 1981, new product introductions within cosmetics, fragrances and beauty care seemed limited to line extensions.

Where new product activity was not linked to line extensions, it was low key and not widely advertised and promoted. For example, Ivoire de Balmain, a new prestige fragrance, was introduced with only $123,200 spent in measured media advertising, low for even this segment of the fragrance business.

The company did increase spending behind Scoundrel, however, from $2.9 million to over $4 million, while Chaz remained about even at just over $2 million.

Charlie also saw a measured media boost from under $1 million to over $2 million.

Revlon remains the No. 1 marketer of color cosmetics in the U.S., but it is said to be under pressure from Estee Lauder in department stores and Noxell's Cover Girl and Maybelline in other outlets.

The company also continued its new strategy of promoting its Flex products as the Flex haircare system and added Flex extra body and Flex Net Unscented Soft Hold. The new positioning of the line was viewed as a strategy to boost the line's market share, which slipped from 6.8% to 6.3% in 1981, although Flex conditioner remains the No. 1 after-shampoo conditioner sold in the U.S. Measured media spending was increased for Flex from $4.3 million to more than $7 million.

Revlon also introduced the Foot Groomer as the first product in a new line called Pedi-Care implements, and it prepared for the introduction of Glis'n haircolor shampoo in the U.S., a forerunner of Clairol's I Like My Grey, now in test.

Domestically, the company's professional products group introduced Sensor MP-200, the first microprocessor hair computer to offer, Revlon claims, permanent conditioning and perfect perming in a single unit.

Internationally, Revlon added Eterna 27 Daily supplement, for dry and aging skin, and Sensations Perfumed Body Spray, the first in a new line of personal care products. Sensations is thought to be another entry in the deo-cologne market, similar to Lever Bros.' Impulse and Bristol-Myers' new entry, now marketed only overseas.

From its healthcare group, Revlon reformulated its Co-Salt as NoSalt in 1981, while Tums antacid and Oxy acne treatments recorded record sales and boosted their respective market shares. Technicon introduced RA-1000 as the first of a new line of test-selective analyzers, and Meloy Laboratories was the first manufacturer to be awarded gamma interferon for clinical evaluation. In early 1982, Meloy became the first to deliver gamma interferon for use in clinical studies on human cancer patients.

During 1981, Meloy, in conjunction with other units of the Revlon Health Care Group, became the first domestic manufacturer to deliver human leukocytes for use in government sponsered clinical trials.

Continuous Curve received Food & Drug Administration approval for its extended-wear contact lenses for myopia and astigmatism, and in March received FDA approval for hyperopia as well. Barnes-Hind brought out Soft Care Sterile Disinfectant Solution and Soft Mate Comfort Drops, as it endeavored to offer a wider selection of soft lens solutions, a market segment it has been slower to pursue than the competition. In the meantime, the division was adversely affected by decline in demand from the market for hard contact lens solutions, pricing pressures and rising material costs.

Revlon and Thompson Medical Co. mutually agreed to discontinue acquisition talks, presumably because of Thompson's disappointing first quarter in 1981 and a slowdown in the sales growth of its diet control products, according to analysts.

However, later in 1981, chairman Michel Bergerac indicated that the company would refrain from any major acquisitions in areas that would complement existing businesses or further diversify the company. He said Revlon will concentrate instead on improving the positions of existing businesses.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$436,800	$691,400
Magazines	10,937,100	10,969,700
Spot tv	23,372,500	22,310,600
Network tv	24,730,300	25,305,600
Spot radio	621,400	1,073,000
Network radio	1,874,500	1,547,600
Total measured	61,972,600	61,897,900
Unmeasured	44,666,150	43,532,500
Estimated total	106,638,750	105,430,400

REVLON INC.

New York

MARKETING PERSONNEL

Sanford Buchsbaum, exec vp-adv

Michael Collins, adv director

George W. Feld, vp-adv services

Anthony Cozzolino, media/budget director

John Maisano, president, Group I

Harvey Schwartz, president, Group II

Lawrence Wechsler, president, Group III

ADVERTISING AGENCIES

Grey Advertising, New York—All Classic Revlon and Natural Wonder prods, Flex, Jontue, Ivoire, Scoundrel, Colorsilk, Eterna 27, European Collagen Complex—Robert Zimmern, exec vp.

50th Floor Workshop, Revlon's inhouse agency—Moon Drops, Formula 2, Mitchum, Revlon lipstick and nail enamel, Charlie, Chaz, Ultima II, Ciara, Cerissa, Etherea, Norell, Princess Marcella Borghese, Bill Blass—Martin Stevens, vp-creative services; George Feld, vp adv services; Rita Greisman, vp-creative director.

Altschiller, Reitzfeld,Solin/NCK—Milk Plus 6, Classic Revlon eyeshadows, makeup—Jim Berns, acct super.

PROFESSIONAL PRODUCTS GROUP

New York

Irving J. Bottner, president

Robert Crane, senior vp-mktg

Murray Steinfink, senior vp-sales

Mitchell Levy, director-adv, sales promo and education

ADVERTISING AGENCY

Merchandising Workshop, New York—Joanie Curcio, senior vp.

USV LABORATORIES-DOMESTIC

Tarrytown, N.Y.

MARKETING PERSONNEL

John Szlasa, vp-mktg

ADVERTISING AGENCIES

Klemtner Advertising, New York—Hygroton, Regroton, MVI—Jay Conlan, acct exec.

Thomas M. Ferguson Associates, Parsippany, N.J.—Arlidin—Dwayne Hann, acct exec.

Vicom-Bik, New York—Mortin Meaney, acct exec.

NORCLIFF-THAYER

Tarrytown, N.Y.

MARKETING PERSONNEL

Charles A. Pergola, president
Larry White, vp-mktg
Matt Gordon, director-new prods
Van Lefferdink, mktg group director
Mindy S. Miller, mktg group director

ADVERTISING AGENCIES

Jordan, Case & McGrath, New York—Tums—Claudia Horty, vp.

Specht, Gilbert & Partners, New York—Oxy 5, Oxy 10, Oxy Scrub, Oxy Wash, Oxy Cover—Don Gilbert, president; Steve Bayer, partner.

Marschalk Co., New York—Esoterica, Nature's Remedy—Peter Detels, vp.

Cadwell Davis Savage, New York—Pretty Feet & Hands, NoSalt—Jeffrey Zeiler, vp.

Carrafiello, Diehl & Associates, Irvington, N.Y.—A-200 Pyrintate—John Muhlfield, vp.

TECHNICON DIAGNOSTIC SYSTEMS

Tarrytown, N.Y.

MARKETING PERSONNEL

Richard G. Nadeau, president
Fredrick Stubbins, director-mktg communications

ADVERTISING AGENCY

All advertising done inhouse.

ARMOUR PHARMACEUTICAL

Tarrytown, N.Y.

MARKETING PERSONNEL

William Weathersby, president
Stuart Samuels, vp-mktg and sales

ADVERTISING AGENCY

Stewart Williams, Stamford, Conn.—Nicobid, Calcimar, Dialume, Biozyme—Ed Linder, acct exec.

BARNES-HIND/-HYDROCURVE

Sunnyvale, Cal.

MARKETING PERSONNEL

Kevin Ryan, president
Robert Kellish, mktg director

ADVERTISING AGENICES

Grey Advertising, New York—extended wear contact lenses and contact lens solution prods—Mike Ouimette, Fred Milman, acct execs.

Dave Popofsky Inc., New York—pharmacy promotion—Dick Wienborg, acct exec.

Techman & Associates, Chicago—specialist prods—Bud Davis, acct exec.

NATIONAL HEALTH LABORATORIES

La Jolla, Cal.

MARKETING PERSONNEL

Robert E. Draper, president

ADVERTISING AGENCY

All advertising is done inhouse.

MELOY LABORATORIES

Springfield, Va.

MARKETING PERSONNEL

Don Lewis, president
Jack Wyatt, director, diagnostic sales and mktg

ADVERTISING AGENCY

Derby Group, Baltimore—all diagnostic prods—Richard Derby, acct exec.

R.J. Reynolds Industries

	1981	1980
Sales.........	$11,691,800,000	$10,354,100,000
Earnings.....	1,504,300,000	1,269,400,000
Advertising*.	321,279,600	298,524,100

*AA estimate

R.J. Reynolds Industries, Winston-Salem, N.C., is the eighth largest national advertiser in the U.S., with ad expenditures of $321.3 million in 1981, a 7.6% increase over the $298.5 million recorded in 1980.

Worldwide sales of the tobacco, food, oil and shipping giant totaled $11.69 billion in 1981, an increase of 12.9% from $10.35 billion in 1980. Earnings from operations also shot up appreciably, jumping by 18.5%, from $1.27 billion in 1980 to $1.50 billion in 1981. Over the same period, net earnings rose by 14.5%, increasing to $767.8 million in 1981 from the $670.4 million in 1980

For the first half of 1982, RJR's sales totaled $5.99 billion, a 4.3% increase from a year earlier. Consolidated earnings were $766 million, up 3% from the same period in 1981. Net income for the first half was $480 million, up 24% from 1980.

As high as these performance figures may be, they should be even larger in 1983 with RJR's recently proposed acquisition of Heublein Inc., the billion-dollar food and beverages giant. Their combined ad spending, for instance, should exceed $500 million, which would in all likelihood make RJR the third largest national advertiser, behind Procter & Gamble Co. and Sears, Roebuck & Co.

The $1.3 billion deal would give RJR foodservice, grocery products, wine and spirits operations to go along with its existing roster of units. It would also make the company an even more powerful influence in the consumer marketing world.

The company's influence, of course, is already considerable. Throughout 1981 and into 1982, RJR continued a concerted effort to strengthen the company's traditional power base—tobacco—and improve its capabilities in its other operations. Much of the strategy to achieve these goals has focused on heavy capital expenditures and reworked marketing efforts.

Tobacco, naturally, remains king at RJR, as it has since 1875, when Richard Joshua Reynolds left a partnership with his father in tobacco farming in Virginia and moved to Winston, N.C. There, he started a plug chewing tobacco company with $2,400 invested in a plot of ground, a factory and equipment.

Today, R.J. Reynolds Tobacco Co., which handles domestic tobacco production and marketing, is the industry's sales leader. In 1981, this subsidiary of RJR Industries recorded sales of $3.97 billion, an increase of 12.7% from $3.52 billion in 1980. Earnings from operations totaled $914.3 million, compared with $800.8 million in 1980, a rise of 14.2%.

In the international market, the R.J. Reynolds Tobacco International subsidiary recorded less sizable sales increases, while earnings from operations remained relatively stable. In 1981, the international operation had sales of $2.16 billion, an increase of 3.3% from $2.09 billion in 1980. Earnings from operations were $178.5 million, compared with $177.2 million, or less than a 1% increase.

Together, domestic and international tobacco operations accounted for 51% of total company sales in 1981, compared with 54% in 1980. As far as earnings from operations breakdowns are concerned, tobacco's share was 69% in 1981 and 73% in 1980. The declining shares point to the growing strength of RJR's other subsidiaries, although tobacco remains the key to the company's over-all health and vitality.

Among the subsidiaries attempting to gain a larger share of the corporate pie is RJR's food and beverage operation, a segment that is growing in prominence within the corporate family. Food and beverage sales—through Del Monte Corp., which RJR acquired in 1979—totaled $2.33 billion in 1981, an increase of 10.7% from $2.11 billion in 1980. In both years, sales from these operations accounted for about 20% of total corporate sales. Earnings from operations in 1981 totaled $100 million, an increase of 11% over the $90.1 million recorded in 1980.

Showing some improvement in 1981 was another of RJR's nontobacco businesses—transportation, through the Sea-Land Industries Investments subsidiary. Sales of the shipping company, which has gone through a good deal of reorganization and streamlining in recent years, totaled $1.62 billion, or 14.8% higher than $1.41 billion in 1980. Earnings from operations showed marked improvement, rising by 56.4%, from $65.8 million in 1980 to $102.9 million in 1981.

RJR's energy operations, through Aminoil USA, displayed even greater improvement. Sales of the international oil and gas exploration and drilling company totaled $1.37 billion in 1981 (about 12% of corporate sales), compared with $985 million in 1980, an increase of 39.1%. Earnings from operations also spurted upwards, reaching $246.8 million in 1981, compared with $182.9 million in 1980, an increase of 34.9%.

In 1981, RJR moved to seek out more business opportunities by forming R.J. Reynolds Industries Development Corp. This new unit brings together existing RJR operations—including RJR Archer, a packaging subsidiary, and Service Systems Corp., an institutional food service company—and adds the responsibility to seek "opportunities for growth by establishing a [RJR] presence in new or related consumer-oriented products and services."

Yet, despite the growth of these segments, tobacco remains the key to RJR's over-all vitality and health. As RJR chairman J. Paul Sticht told securities analysts at a meeting in November: "The tobacco business is alive and well, not only in the U.S., but around the world as well . . . R.J. Reynolds will continue to actively and aggressively participate both in the U.S. and the rest of the world."

What effort RJR has already put behind its tobacco operations seems to be paying off, at least for now. A few years back, industry observers were forecasting that Philip Morris USA would soon topple R.J. Reynolds Tobacco from the No. 1 spot. Indeed, from 1977 to 1979, Reynolds' market share—in a business in which a single share point is of tremendous significance—slipped by nearly half a percentage point while Philip Morris was charging fast.

But, although PM continues to make strides, Reynolds' over-all market share has shown some upward movement, ending at 33% in 1981, compared with PM's 32%. And the company has managed this uptick during a period characterized by many observers as the most competitive in recent memory.

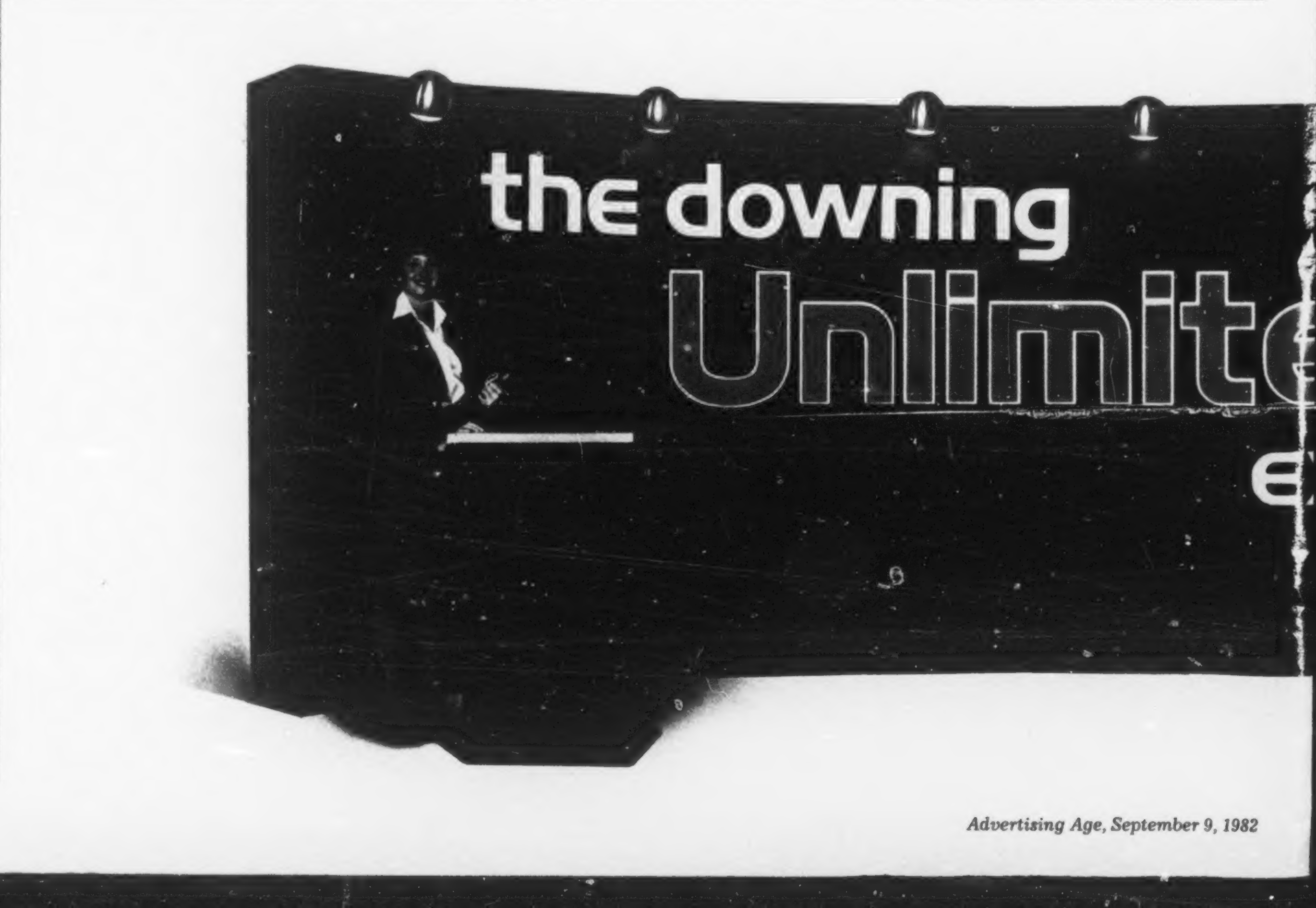
Leading the way at Reynolds, as it has done year after year, was the Winston brand, which saw its market share move upward slightly to 13.3% from 13.2% in 1980. The nation's No. 2-selling brand—behind PM's Marlboro—was aided by the national rollout of another low-tar extension, Winston Ultra, which gained a 0.5% share during the year.

In advertising, executed under a "Men of America" theme, Winston was supported by $38.4 million in measured media spending, up slightly from $36.8 million in 1980. A total of $20.5 million went to magazines, $2.9 million to newspaper supplements and $15.4 million to outdoor. In 1980, the measured media breakdown was as follows: $23.7 million to magazines and $13.1 million to outdoor.

Salem, the nation's leading menthol (ahead of Brown & Williamson's Kool) and the No. 3 brand over-all, had a relatively stable year in 1981, with its market share remaining at the 8.7% level recorded in 1980.

Most of the styles under the Salem brand—regular, Salem Lights and Salem Ultra—continued to maintain about the same shares.

But the company is counting on the introduction in late 1981 of Salem Slim Lights to add to this year's over-all total. Salem Slim Lights are a thinner 100mm product positioned for



the female market, a demographic segment that continues to capture cigaret marketers' fancy.

In measured spending, Salem (advertised under a "High country" theme) was supported by a total of $29.7 million in support, down from $37 million in 1980. A total of $13.6 million went to magazines, $1.9 million to newspaper supplements and $11.4 million to outdoor (a small amount went to network and spot tv for a mail order promotion). This compared with a 1980 breakdown of $22.7 million to magazines, $4.6 million to newspaper supplements and $9.7 million to outdoor.

One area of excitement for Reynolds in 1981 was the growth of its long-standing Camel brand. In 1981, Camel captured a 2.5% share, up from 2% in 1980 and 1.1% as recently as 1977. Combined with Camel nonfilter's share of 2.3%, the brand had an over-all figure of 4.8%.

The spurt in sales made Camel the No. 5 brand in the nation, giving Reynolds three of the nation's top five brands.

Measured spending for Camel totaled $19.7 million in 1981, compared with $22.1 million in 1980. Of the total, $8.9 million went to magazines and $10.8 million to outdoor, compared with $14.0 million to magazines, $289,700 to newspaper supplements and $7.9 million to outdoor in 1980. About two-thirds of the spending support in 1981 went to fast-rising Camel Lights, which converted its pack design to one using the familiar Ol' Joe camel found on the traditional nonfilters.

Meanwhile, Reynolds' fourth leading brand, Vantage, saw its share slip to 3.7% in 1981 from 3.8% in 1980. This came after the brand experienced gains in the last several years.

To recover from this slippage, Reynolds this summer introduced Vantage Ultra Lights 85mm and 100mm, both 5mg tar smokes.

Measured spending for the brand, used to support a "Vantage pleasures" campaign, totaled $29.9 million in 1981, second highest among the company's brands. Of that total, $19.8 million went to magazines, $3.7 million to newspaper supplements and $6.4 million to outdoor. The spending levels were down from those of 1980, when Reynolds spent $32.5 million to support Vantage, with $23.0 million going to magazines, $7.1 million to newspaper supplements and $2.4 million to outdoor.

More heartening to Reynolds was the rise of the More brand, which saw its market share rise from 1.2% in 1980 to 1.5% in 1981, moving from No. 20 to No. 15 among brands in the process.

All of the gain for the 120mm brown-wrapped brand came with the introduction of More Lights, a 100mm beige-colored spinoff targeted to women. It is interesting to note that this line extension was in tune with what Gerald H. Long, president-chief operating officer of R.J. Reynolds Tobacco sees as the three trends cigaret marketers are following closely: Continued growth of low-tar cigarets, the success of 100mm styles and the growth of women as a percentage of the smoking population.

Measured media spending reflected the concerted effort Reynolds put on the brand, as $20.1 million went to support More in 1981, with $12.6 million going to magazines, $2.5 million to newspaper supplements and $5 million to outdoor. In 1980, the brand received $12.7 million in support, of which $8.3 million went to magazines, $2.7 million to newspaper supplements and $1.7 million to outdoor.

In contrast to More, Reynolds' ultralow tar brand, Now, saw its market share remain at the 0.7% level in 1981. The 1mg tar cigaret continued to jockey for position with its competitors, primarily American Tobacco's Carlton, in a category that has been the subject of close attention over the last few years.

To support Now, Reynolds spent $17 million in 1981, with $12.3 million going to magazines, $4.6 million to newspaper supplements and $55,000 to outdoor. This compares with 1980 spending of $26.1 million, of which $15.3 million went to magazines, $5 million to newspapers supplements and $1.7 million to outdoor.

Doral, the seventh brand in the Reynolds family, dropped significantly in market share, from 0.6% in 1980 to 0.3% in 1981. Reynolds dropped the regular Doral line in 1981, leaving intact only Doral II. There was no measured media support for the brand in 1981.

The fortunes of these various brands are, naturally, a function of the highly intense competition of the tobacco industry. But that competition has turned particularly perfervid in the battle over Brown & Williamson's successful and controversial Barclay cigarets, a battle in which Reynolds has played a trench-fighting role.

The dispute has centered on B&W's 1mg claim for the low-tar smoke, which was introduced in 1981 with record support. Reynolds filed a complaint last year with the Federal Trade Commission that the 1mg claim was not accurate.

The FTC ruled that conventional testing was not possible for Barclay's unique filter system. But, the FTC said, consultants had advised the commission that the cigaret's tar level is indeed higher—somewhere between 4mg and 7mg—than the advertised 1mg. B&W, in turn, continued to charge that Reynolds and other competitors used bait-and-switch tactics in advertising their ultralow tar brands—in Reynolds' case, Now. Observers note, however, that although such tactics may have been used earlier, Reynolds has for some time been promoting only its 2mg Now 100s and not the less than 1mg packs that were the supposed objects of the "switching."

In addition, B&W has won a temporary restraining order to halt FTC action against Barclay and is attempting to get the FTC to revise its method of reporting cigaret tar levels.

Beyond that battle, Reynolds continues to refine its over-all cigaret marketing strategy, and one area on which it has focused is its media mix. Measured media spending figures reflect the company's decision in 1981 to reallocate dollars from magazines, where it had been the top national advertiser, to outdoor. RJR Industries, which had been the top magazine spender in 1980, fell to second place, behind rival Philip Morris Inc. The company did, however, retain its No. 1 ranking as the top newspaper and outdoor spender.

In spite of all this activity in the cigaret end of its business, however, RJR management has devoted a considerable amount of its attention to its food and beverage operations and Del Monte Corp. The basic strategy here has been to transform production-oriented Del Monte, which has one of the strongest consumer brand identifications extant, into a consumer-oriented producer and marketer of high quality, value-added food products.

In the past, Del Monte products have had limited advertising, and most activity was concentrated in the trade. "But no more," Richard H. Ward, chairman-chief executive officer, told securities analysts in November. "As the first step in revitalizing our canned food business, we have set out to get to know the consumer as never before. Based on that knowledge, we are already well launched on a number of projects—adding new products and repositioning others."

To put its new efforts into motion, Del Monte has carved out RJR's food and beverage business into four operations—dry grocery and beverage products, international grocery products, fresh fruit and frozen foods.

The dry grocery group includes all of Del Monte's nonfrozen food products, as well as products marketed by the former RJR Foods unit before the merger with Del Monte—Hawaiian Punch, Chun King and some regional brands. In all, they contribute just under half towards Del Monte's sales.

Management reported that the group has rebounded from a "disastrous" 1980, when earnings plummeted from 1979 levels.

What may help in the years to come is the introduction of a Mexican line of prepared foods under the Del Monte brand, which was expected to be rolled out into the Los Angeles market in late August or early September.

The line, the company said, would be supported by the largest single-market advertising and promotional drive ever in the category. A successful rollout of the 23-product line has already taken place in Denver, Phoenix, Oklahoma City, Dallas and the Pacific Northwest.

If indeed the heavy ad spending does come—one Del Monte official said the company is planning on $8 million to $10 million during a nine-month period—it would mark a significant increase in the Del Monte ad budget.

In 1981, for instance, Del Monte spent $5.1 million in measured media to support all Del Monte brand products, most of that going to Lite canned fruits. This compared with $7.2 million the company spent in 1980 to support the various lines.

On the other hand, such was not the case with products that came out of the RJR Foods stable. Spending for Hawaiian Punch more than doubled in 1981, going from $8.7 million in 1980 to $17.9 million. The bulk of the spending went toward the presweetened mix and the ready-to-serve drink.

For Chun King, Del Monte spent $7.0 million in 1981, compared with $2.9 million in 1980.

The second group in Del Monte's family, international grocery products, accounts for about a fifth of the subsidiary's total sales. Top executives said the unit has been affected by adverse worldwide economic conditions and foreign exchange losses.

The third group, fresh fruit, is one the company is banking on for future growth. Now accounting for just under a fifth of company sales, this segment is slated for expansion in the marketing of bananas and pineapples. "Our high hopes for future growth in this segment are based on the still largely untapped markets for fresh pineapple in the midwestern, southern and eastern U.S. and Europe,"said Mr. Ward. The company is committing $35 million to develop a 6,000-acre pineapple plantation

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in Costa Rica to help achieve this expansion.

Del Monte's fourth group of food operations, frozen foods, provide what could be the most interesting developments in this end of RJR's family. With the purchase of Morton Frozen Foods in January, 1981, the company has a base from which to develop a major frozen foods business. Observers said RJR purchased Morton less for its product than for its production facilities and distribution network.

The company already has specialty lines, Patio Mexican and Chun King frozen meals, which could also add to this much-watched category. In addition, it is looking at using the expertise of its O'Brien, Spotorno, Mitchell (OSM) unit to develop frozen products, possibly in the high-end, single-dish category in which Stouffer's has risen to prominence. OSM is one of the leading suppliers—to airlines, among others—of institutional frozen entrees and side dishes.

While the company looks ahead to these developments, it has pulled back slightly from the move to bring retort pouches to the consumer market. Almost immediately after acquiring Continental Kitchens, purchased from ITT Continental, Del Monte stopped the test-marketing of single-serving entrees and deli specialties.

Company officials still profess hopes for bringing retort pouches to market, but production costs and some consumer resistance has tempered some of that optimism.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$142,344,700	$113,099,100
Magazines	89,264,400	118,530,200
Spot tv	30,381,400	8,183,800
Network tv	3,569,000	11,025,500
Spot radio	272,300	722,500
Outdoor	50,253,900	42,563,200
Total measured	316,066,300	294,124,100
Unmeasured	5,213,300	4,400,000
Estimated total	321,279,600	298,524,100

R.J. REYNOLDS TOBACCO CO.

MARKETING PERSONNEL

G.H. Long, president-chief operating officer

J.W. Johnston, exec vp

Richard Kampe, John Shostak, Jerry McKenna, group brand directors

Dan Pearson, director of media

M.L. Orlowsky, director of mktg services

Harry Lees, group director of special tobacco prods and new brands

Gregory Novak, director of mktg devel

ADVERTISING AGENCIES

William Esty Co., New York—Winston, Salem—Paul R. Dooling, president; Laurence M. Wassong, exec vp-acct group head; John E. Neal, senior vp-assoc group head; Philip Shaner, Andrew Wetmore, Randolph Mercein, vp-acct supers; Richard Flack, Len Signorile, Mindy Rosengarten, vp-creative directors; Emil Dispenza, senior vp-creative director.

BBDO, New York—Camel, Doral—Ken Angel, vp-mgmt super; Jay Beckerman, creative director.

Leber Katz Partners, New York—Vantage, More, Now—Stanley H. Katz, chairman; Jerome L. Davidow, exec vp-director, client services; Robert Hirsch, senior vp-mgmt super; Dennis McClain, exec vp-director, creative services; Jack Silverman, senior vp-creative director; Jeff Palmer, Richard Maddock, Janice Lee, vps-acct supers.

Tatham-Laird & Kudner—smoking and chewing tobacco, special projects—Jerry Birn, managing partner; Kirk Borland, mgmt super; Jim Hill, acct super; William Ross, exec creative director; William Klimas, creative director.

Long Haymes & Carr, Winston-Salem, N.C.—special events adv—Donald N. Adams, senior vp-mgmt super; William Britt, acct super; John W. Barclay, acct exec; Russell M. Gramer, vp-assoc creative director; William R. Morgan, vp-assoc creative director.

R.J. REYNOLDS TOBACCO INTERNATIONAL

MARKETING PERSONNEL

Lester W. Pullen, president-ceo

Dale F. Sisel, exec vp

N.W. Glover, vp-mktg

Griffith E. Harlow, mktg develop director

Sally A. MacKinnon, director of mktg (Europe, Africa, Middle East)

Thomas L. Ogburn Jr., director of mktg (Canada, Latin America, Caribbean)

ADVERTISING AGENCIES

BBDO, New York and international affiliates—Camel worldwide.

Other brands handled through a variety of agency assignments country by country.

DEL MONTE CORP.

MARKETING PERSONNEL

Dry Grocery and Beverage Products Group

Fernando Gumucio, president

Stephen Rothschild, vp-mktg

Frozen Foods Group

L.M. Beggs, president

Charles S. Weiss, vp-mktg

International Grocery Products Group

Robert D. Kroll, president

John F. Corbani, vp-mktg

Worldwide Fresh Fruit Group

Ben E. Klein, senior vp

G.F. Norwood, vp-fresh pineapple mktg

ADVERTISING AGENCIES

McCann-Erickson, San Francisco—all Del Monte brand canned and dried foods, except beverages; My*T*Fine; Vermont Maid; Brer Rabbit; College Inn; Davis baking powder—Jack A. Tormey, exec vp-genl mgr.

BBDO/West, San Francisco—Hawaiian Punch, Del Monte brand beverages—Joe Barrett, exec vp-genl mgr.

Young & Rubicam, Chicago—Chun King, Patio—John Hayter, senior vp-genl mgr.

Caravetta Allen Kimbrough/BBDO, Coral Gables, Fla.—Del Monte fresh fruit—Jim Kimbrough, president.

Richardson-Vicks

	1981	1980
Sales*	$1,088,100,000	$929,200,000
Earnings*	79,300,000	84,200,000
Advertising**	149,000,000	134,000,000

*Fiscal year ending June 30

**AA estimate

Richardson-Vicks, Wilton, Conn., the nation's 40th largest advertiser, increased its ad expenditures by an estimated 11% in 1981, to $149 million.

Worldwide sales climbed 17% to $1.09 billion, from $929.2 million in 1980. Net earnings decreased by 6% to $79.3 million from $84.2 million in 1980. The loss of income was attributed to the discontinued operations of then Richardson-Merrell, as the company divested itself of the Merrell Pharmaceuticals division in early 1981.

That downslide in earnings continued for the third quarter of fiscal 1982 (the company operates on fiscal years ending June 30.) Net income from continuing operations dropped 31% in the three months ended March 31, 1982, to $13.4 million from $19.3 million during the same period in 1981. Sales during the quarter also fell, from $267.3 million in third-quarter 1981 to this year's $241.5 million, a decrease of 10%. An unfavorable fourth quarter and lower earnings for the full fiscal year were expected by the company.

Several factors were blamed for the decrease in sales and earnings. Among them were the recession, the low incidence of colds and flu during the the winter months and unfavorable foreign exchange rates.

The company is setting its sights on three areas for future growth—continued market leadership in consumer care products, a strong push in the specialty nutritional products field and an entry into the do-it-yourself arena. These commitments were underscored in 1981 by the introduction of several new products in the consumer care divisions, the distribution of specialty nutritional items into unexplored channels and the creation of a home care products division.

Consumer product sales increased 16% in fiscal 1981 to a total of $954.4 million. That was led by the Vicks Health Care division, which posted a 30% sales gain. The division is led by NyQuil and Formula 44D, both of which were battling a mild cold and flu winter in 1981 and increased competition.

NyQuil's ad budget was increased by 20% in 1981, to $8.8 million from $7.3 million. The brand has a 14% to 16% market share and a 20% dollar share in the cough and cold remedy market, but most of the growth continues to be in the area of multi-symptom items.

To that end the company introduced Headway, designed as a remedy for colds, sinus ailments and allergies. The product's ad budget was $4.5 million in 1981, with the bulk spent on network tv. In addition, several cough medicines are being tested in various cities, including Cremacoat and Surround, billed as treatments for coughs and sore throats.

Both Formula 44D and Sinex nasal spray were moved to new agencies in 1981 and received increased spending. Young & Rubicam took over the Formula 44D account, and its $7 million budget increased to $8.8 million in 1981. Sinex was moved to Benton & Bowles, as its 1981 ad expenditures totaled $4.7 million, up from $3 million in 1980. Both products had been at BBDO.

Also in the healthcare division are the Plus line of nutritional products, which the company acquired in 1980. The company believes this area of its business represents a significant growth opportunity. Plus' established channel of distribution has consisted of health food stores, which account for 30% of all sales in the specialty nutritional product area. R-V thinks there is room for inroads in the health food store segment and in drugstores and supermarkets, which are developing in-store nutrition centers. The company's healthcare division is test marketing a new line of vitamins—called Lifestage—for these mass market outlets.

In the Vicks toiletry division, Oil of Olay products continued to be the leaders. As with the cold products, the brand has increased its ad budget as competitors try to nibble away at its 40% share of the skincare market. Oil of Olay lotion received the largest sum of the company's ad dollars, $37 million, a 38% increase over the $26.8 million spent in 1980. The newest entry in the field is Silkience, as its marketer, Gillette Co., tries to duplicate the success it has had with its Silkience shampoo and conditioner.

Clearasil's advertising expenditures decreased by 5%, from $3.3 million in 1980 to $3.2 million in 1981. Most of the brand's future growth is expected to come from foreign markets. The company did go to court over claims by Norcliff-Thayer's Oxy-10 and Oxy Wash. Comparative radio ads said the performance differences between Oxy and Clearasil were "amazing," "disconcerting" and "terrifying." The spots were pulled and the companies settled out of court.

Meanwhile, R-V began testing Biactrin facial cleanser, with ads by Y&R claiming it "treats while it cleanses for fewer pimples."

Elsewhere, Carrafiello-Diehl & Associates, New York, was named as the agency for the national rollout of Denquel sensitive teeth toothpaste. The company was able to iron out its difficulties with the Food & Drug Administration over one of Denquel's ingredients.

The home care products division, created in the first quarter of 1982, consists of Formby's wood care products, Cosa Mesa Lubricants and E.A. Thompson, which was acquired in July, 1981. Thompson markets waterproofing coatings. Sales in the newly created division exceeded $30 million by the first quarter of fiscal 1982, with Formby's registering a 54% sales increase over 1980. The brand was backed by $4.4 million in ad dollars in 1981, the majority of the

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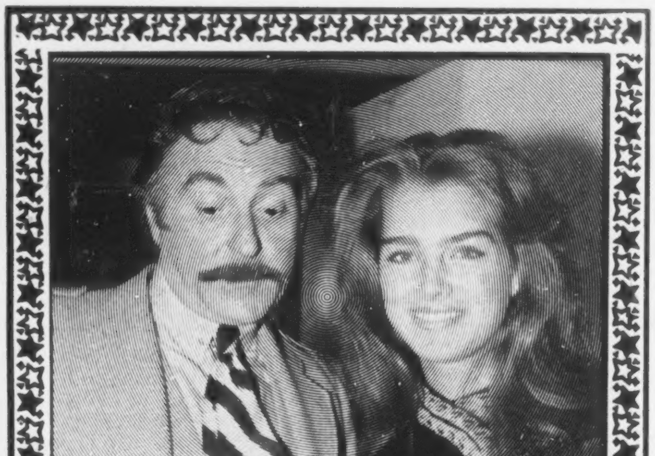
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money spent on network tv.

The J.T. Baker Chemical Co. subsidiary introduced Bag-A-Bug spray and trap for gypsy moths in 1981, following Bag-A-Bug trap for Japanese beetles, released in 1980.

Richardson-Vicks joined other companies in releasing these products at a time when consumers are concerned about tree and shrub devastation by the moths. The Bag-A-Bug spray and trap received $1.4 million in ad dollars, mostly on spot tv and magazines.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	—	$345,300
Magazines	$6,174,400	4,744,700
Spot tv	15,125,800	12,951,000
Network tv	67,624,700	49,885,200
Spot radio	—	3,357,600
Network radio	2,184,000	958,700
Total measured	91,108,900	72,242,500
Unmeasured	57,891,100	61,757,500
Estimated total	149,000,000	134,000,000

VICKS HEALTH CARE DIVISION

MARKETING PERSONNEL

R.A. Ahrens, president-genl mgr
S.W. Bryan, mktg director
W.J. O'Neill, mktg director
W.S. McGranahan, vp-mktg

ADVERTISING AGENCIES

Benton & Bowles, New York—NyQuil, Sinex, Vaporub, Vicks Blue cough drops, Victor's cough drops, Vicks cough drops —Richard Hopple, senior vp-acct director; Alan Goltz, senior vp-mgmt super; Vaporub, Vicks Blue, Victor's, Vicks: William Perkins, vp-acct super; Denise Plaza, acct exec., Nyquil, Sinex: Pat Doody, vp-acct super; Nancy Bowling, acct exec, Nyquil; Priscilla Dunn, acct exec, Sinex.

Young & Rubicam, New York-Formula 44D—Robert Gleckler, senior vp-mgmt super; William Mears, acct exec; Joel Goren, acct super.

Jordan, Case & McGrath, New York—DayCare capsules and liquid, Headway capsules and tablets—Jack Taylor, vp-mgmt super; Rob Moorman, acct super.

VICKS TOILETRY PRODUCTS DIVISION

MARKETING PERSONNEL

J.D. Auty, president-genl mgr
N. Matt, vp-mktg director
P.L. Wilson, vp-mktg director
W.S. McGranahan, vp-mktg services

ADVERTISING AGENCIES

Benton & Bowles, New York—Clearasil, Topex, Fasteeth, Fixodent—Richard Hopple, senior vp, acct director; John Boyd, senior vp-mgmt super; Connie Williams, acct super, Clearasil and Topex; Nancy Temkin, acct exec, Clearasil and Topex; Pat Doody, vp-acct super, Fasteeth and Fixodent; Denise Plaza, acct exec, Fasteeth and Fixodent.

Young & Rubicam, New York—Olay products—Robert Gleckler, senior vp-mgmt super; Robert Donahoe, acct super, Olay; Jeremy Birkbeck and Consuelo Gomez, acct execs, Olay; Arlene Eagle, acct exec, new prods; Bonnie Goren, acct super, new prods.

North Castle Partners, Greenwich, Conn.—Lavoris—Lynn Rotando, exec vp-mgmt super; Peter Williams, acct director; Diane Delano, acct exec.

Carrafiello-Diehl & Associates, Irvington-on-Hudson, N.Y.—Denquel, professional products—Kevin P. McIntosh, vp-acct super.

Jordan, Case & McGrath, New York—new products—Jack Taylor, vp-mgmt super; John Havrilla, acct super.

J.T. BAKER CHEMICAL CO.

MARKETING PERSONNEL

N.P. Klass, president-genl mgr
P.E. Brunswick, vp-mktg
B.M. Rein, vp-mktg, specialty chemicals
D. Hoffmeister, mktg director, horticulture prods
J.L. Zapf, director-mktg admin

ADVERTISING AGENCIES

Cunningham & Walsh, Chicago—Bag-A-Bug Japanese beetle trap, gypsy moth trap, spray, barrier tape—James Davison, vp-acct super; Andrea Barr, acct exec; Alan Kwertzman, creative dirctor.

Stiegler Agency, Allentown, Pa.—laboratory prods—Daniel Wells, president-mgmt super; Peggy Naab, acct super.

Rosston, Kremer & Slawter, New York —specialty chemicals—Abe Kremer, president.

BAKER INSTRUMENTS CORP.

MARKETING PERSONNEL

J.R. Kelsey, president-genl mgr
R.A. Sullivan, vp-intl operations
D.J. Holland, vp-sales
M.G. Hossom, vp-mgr, chemistry systems

ADVERTISING AGENCIES

Falcone & Associates, Chatham, N.J.—CentrifiChem Instruments & Reagents—Bill Falcone, president; Margaret A. Schenck, vp-copy director; Matthew S. Malkowicz, mktg services.

Barbetta Miller, Garfield, N.J.—hematology systems, immunology systems, chemistry systems—Joseph Barbetta, president; Rebel Robertson III, senior vp; Thomas Brogran, exec vp; Barbara Courtney, acct exec.

RVI HOME CARE PRODUCTS DIVISION

MARKETING PERSONNEL

J.B. Cappio, president-genl mgr
J.D. Mitchell, director-mktg and sales
W.P. Melvin, director-mktg and sales
E.J. McBride, mktg mgr
B. Sharpe, mktg mgr

ADVERTISING AGENCY

Slater Hanft Martin, N.Y.—Formby's furniture refinisher, paint remover, Tri-Flow, Thompson's Water Seal—Jerry Martin, president-mgmt super; Pamela Burns, acct super; Karen D'Arcy, acct exec.

PLUS PRODUCTS

MARKETING PERSONNEL

D.V. Sheehan, exec vp, genl mgr
R.E. Carter, mktg mgr
G. Pritchard, mktg mgr
G.J. Grabner, natl sales mgr

ADVERTISING AGENCY

Slater Hanft Martin, N.Y.—all prods—Jerry Martin, president-mgmt super; Pamela Burns, acct super; Karen D'Arcy, acct exec.

VICK INTERNATIONAL EUROPE/AFRICA DIVISION

MARKETING PERSONNEL

J.R. Markley, president-genl mgr
C.E. Blach, mktg director
J.W. Coyne, plans group director, cough drops
R. May, plans group director, teen age
D.O. Schultz, plans group director, toiletries
D. Lapouyade, plans group director, register cold prods

VICKS AMERICAS/-FAR EAST DIVISION

MARKETING PERSONNEL

L.P. Mattis, president-genl mgr
C. Nash, exec vp-mktg director
W.A. Crowther, mktg director-communications
P. Draper, director-mktg research

Schering-Plough Corp.

	1981	1980
Sales	$1,808,000,000	$1,738,800,000
Earnings	179,300,000	237,100,000
Advertising*	119,768,600	100,000,000

*AA estimate

Schering-Plough Corp., Kenilworth, N.J., the 48th largest advertiser, increased its national advertising to $119.8 million, up 19.7% over 1980.

Sales rose only 4% to $1.7 billion, far less than the 21% increase Schering-Plough saw last year. This percentage loss in sales stemmed primarily from the company's U.S. and international pharmaceuticals, whose profits slipped 30% from 1980.

For the first six months of 1982, sales continued to slip, reaching $969 million, down from $972.5 over the same pe-

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riod in 1981. Earnings fell by 7.9% over the same period, to $109.7 million.

Despite these figures, Schering-Plough's suncare, cosmetics and footwear divisions remained strong, with the company's consumer products divisions accounting for $588.2 million in volume in 1981, up 18% from 1980. U.S. home products was the only consumer division to see a decrease in sales, stemming primarily from the poor showing of the Arno adhesive tape business and the depressed building industry.

According to company sources, Schering-Plough sold the Arno business to Mystik Corp. in early 1982 because its marketing strategies were too diverse from the bulk of Schering-Plough's mass-advertised products.

Among cosmetic products in 1981, sales of the company's Maybelline lines increased by 14.5% to $163.8 million, outpacing the market growth rate of 8% from 1980 to 1981. Maybelline introduced two new products and has a third scheduled for late 1982.

In one successful introduction, the company brought Dial-A-Lash, a new concept in mascara, to the market in late 1981; with that product, Maybelline's mascara unit share reached 40.8%.

The company also introduced Colors That Cling eye writer pencils, whose ads were investigated by the National Advertising Division of the Council of Better Business Bureaus for use of the word "creaseproof" in copy describing the product. Maybelline won the case and continued with the campaign, which contributed to the subsidiary's 29.8% eye makeup unit share.

In its upcoming introduction, Maybelline plans to enter another cosmetics segment with Daydreams fragrance. A $3.5 million media campaign is scheduled to support the product beginning Oct. 15 with the theme "[the] fragrance for memories that linger." Marschalk Co., New York, is handling the account.

In all, Maybelline holds the No. 1 unit sales position of the cosmetics market. It has a 19% unit share for lip colors, 10.9% for foundations and 9.6% for nailcare.

But its move into the skincare market with Moisture Whip has not fared as well as the division as a whole. Despite a major advertising push in 1980 and 1981, the line has received only lukewarm response.

Moisture Whip totaled only $5 million to $6 million in manufacturer's volume, according to industry sources, and still is well behind market leader Richardson-Vicks' Oil of Olay. Company sources admit the line has not performed up to expectations but claim a healthy sales upswing for the product since the first of the year.

In the company's suncare division, Coppertone continues to hold its No. 1 position in the market, which grew by about 13% in 1981 to $225 million, industry sources say. The company claims a 50% share of the market. The suncare division spent $7.6 million on measured advertising in 1981, up 11% from last year.

Schering-Plough introduced three new suncare products in 1981, one in each one of its three primary lines. Coppertone added Coppertone Lite, a nongreasy formula that moisturizes as well as protects, and Tropical Blend introduced a pina colada fragrance. For Faces Only added a face and lip sun protection compact to its sunscreen segment, which holds a 16% share of the market. For Faces Only showed zero growth in 1981, according to ADVERTISING AGE sources, although a company official maintained that the line has shown good gains.

Schering-Plough's other big push, which came in its proprietary drug and toiletry division, was for new forms of two of its established products. Correctol laxative is being marketed in a liquid form, and Di-Gel tablets were reformulated to be sold in a more convenient, blister-pack form. Schering-Plough spent more on advertising for Correctol than any other single product in any of its consumer divisions, nearly doubling its 1980 spending of $2.7 million to $5.1 million in 1981.

The Scholl division increased its shoe line with the national distribution this summer of Sashay sandals. Also, the company showed share increases in its traditional Exercise Sandal.

In April, 1982, Scholl sold its leather shoe business to Miller Shoe Co., Cincinnati, which included 54 retail outlets. Schering-Plough said the sale was made because leather shoes did not fit into "long-term growth objectives."

The footcare division showed an 11% increase in sales to $128.4 million and spent $6.9 million on advertising for its footcare and footwear, up 48% from last year.

New over-the-counter products for Schering-Plough include Sensacort, a nationally distributed hydrocortisone cream supported by $785,600 in advertising, and Chlor-Trimeton D "Repetabs." In the ethical drug category, new entries include Proventil, an inhalant bronchodilator, and Dermolate, a treatment for scalp and anal itching supported by $1.2 million in advertising.

Wesley-Jessen, the vision care division acquired in September, 1980, by Schering-Plough, increased its sales threefold, to $9.3 million from $2.3 million in 1980. The company introduced four new types of contact lenses, including soft bifocal lenses, but the bifocal sales have been suspended because of a dispute with the Food & Drug Administration as to the effectiveness of the product.

Wesley-Jessen is awaiting a final determination on the matter by a federal court.

Elsewhere, Schering-Plough began construction on a pharmaceutical manufacturing facility at its headquarters in Kenilworth, N.J., completed a steroid and antibiotic plant in Manati, Puerto Rico, a research laboratory in Elkhorn, Neb., a coated-tablet facility in Memphis, Tenn., and a distribution center in North Little Rock, Ark., and completed the acquisition of Dnax Ltd., a biotechnology research company.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$546,000	$259,200
Magazines	15,664,800	11,201,400
Farm publications	672,900	270,800
Spot tv	6,763,100	5,552,100
Network tv	40,492,300	35,242,700
Spot radio	1,260,800	1,235,000
Network radio	2,745,900	3,958,000
Outdoor	1,816,800	1,388,300
Total measured	69,962,600	59,108,400
Unmeasured	49,806,000	40,891,600
Estimated total	119,768,600	98,331,000

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Lynn Sanders, vp-print media
Ken West, mgr, calendar
William W. Apperson, director-graphic services
Leita Thompson, mgr-broadcast operations
Mildred Ross, mgr-print prod

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MARKETING PERSONNEL

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William Manley, adv director
Pat McGhee, vp-mktg & planning
Jerry Simmons, vp-new ventures
Joe Edmondson, JoAnne Brown, mktg directors
Joan Tonning, Terry Husher, Bill Stratton, Alan Beychok, Ron Kroto, Melinda Vonarx, group product mgrs
Bob Lloyd, Ernie Hilliar, June Davidson, Ron Pierotti, Ken Fidale, Harley Erb, Debbi Nellson, product mgrs
Charles Bertling, director, media planning
Skip Bannas, Sandra Stone, media planning mgrs
Melissa Tuttle, media planner
Bennett Curry, asst prod mgr

SALES PERSONNEL

Charlie Naff, vp-sales
Jim McIntryre, senior vp-director of field sales
Jim Erwin, vp-sales admin
Bob Baldridge, vp-distribution analysis
Norm Kercher, vp-mktg services
Dave Wells Sr. vp-natl accts director
Ken Crites, vp-central area
Steve Kane, vp-north central area
Mike Swider, vp-northeastern area
John Gardner, vp-southeastern area
Dave Heath, vp-western area
Ken Benderman, vp-speciality sales

MAYBELLINE PRODUCTS

MARKETING PERSONNEL

David Brittain, president
Hank Pellegrin, senior vp-mktg & sales
Bob Schreiber, vp-adv
Chris Berry, vp-mktg, eye/nail/fragrance prods
John Conte, vp-mktg, face/lip/skincare prods
Roz Diabock, director, product devel
Cathy Wills, mktg mgr, shadows/coverstick
Sheila Rose, mktg mgr, mascaras
Michael Williams, assoc mktg mgr, nail color/nailcare/accessories
Miller Slaughter, mktg mgr, Moisture Whip cosmetics
Ken Goff, mktg mgr, Kissing Gloss brands
Roger Lewis, group mktg mgr, Moisture Whip Cosmetics, Moisture Whip Skin Care & Flavored Gloss
Geraldine Oliver, mktg mgr, Lip Color/Blush brands
Susan Crow, mktg mgr, color penciled prods, kits & Christmas

SCHOLL PRODUCTS

MARKETING PERSONNEL

Footcare

Don Ramier, president
Frank McKeown, vp-mktg & planning
Ken Shaw, vp-adv
Bob Forbes, director-mkt rsch
Don Anderson, Andrew Mellman, Barry Best, mktg directors
Judy Levein, intl mktg mgr
Liana Johnson, media mgr
Al Ross, group product mgr
Mark Hagen, Allison Kel, Marsha Schniedwind, Chester Zukowski, Bob Lance, Frank Wirth, brand mgrs
Angela Pricolo, asst product mgr
Sherri Kingsland, Nancy Murray, asst brand mgr

Footwear

Herb Kotkin, vp-genl mgr

DAP INC.

MARKETING PERSONNEL

James Harwood, president
Jim Roudebush, vp-mktg
Richard Momsen, exec vp-operations
John Harper, vp-adv

ADVERTISING AGENCIES

Stern Walters/Earle Ludgin, Chicago—Scholl prods—Leo Portnoy, acct super.

Lake-Spiro-Shurman, Memphis, Tenn.—all Plough, Maybelline & Scholl media placement in the U.S.

Griswold-Eshleman. Cincinnati—DAP home prods division—Norman E. Van Zant, acct super.

Warwick Advertising, New York—St. Joseph prods, Feen-a-Mint, Duration, Sardo, Artra, Sulfer-8 line, Black & White line, Coppertone prods, QT prods, Correctol laxative, Mexsana medicated powder, Aspergum, Sudden Tan.

Ted Bates Advertising, New York—Maybelline eye cosmetics and nail enamel.

Marschalk Co., New York—Maybelline facial cosmetics—Gerald Karp, acct super.

Foote, Cone & Belding, New York—Solarcane, Aftate, Tropical Blend and others—Ann Lynn, acct super.

Bloom Agency, Dallas—Di-Gel—Sherri Babcock, acct super.

SCHERING LABORATORIES SCHERING DIVISION

MARKETING PERSONNEL

H. Steven Schneider, vp-genl mgr
H. Weintraub, vp-sales
Robert Rauf, director, adv/sales promo
L. DeVink, vp-mktg planning
Michael Walsh, director, otc products
Van Knox, director Rx products
Arnold Burstein, director, mktg services
Daniel Tousman, senior director, business devel

ADVERTISING AGENCIES

Medicus Communications, subsidiary of Benton & Bowles, New York—prescription prods & professional promo of otc prods—Lawrence J. Lesser, president; Bill Mecca, senior vp-client services; Gene Harwin, vp; Jennifer DeLellis, acct exec.

Ketchum, MacLeod & Grove, New York—trade and consumer promo, otc prods—Walter Kaprelian, president; Paul Abrams, senior vp-acct mgr; Tim Swies, acct super.

Rolf Werner Rosenthal Inc., New York—prescription products—Rolf W. Rosenthal, president/ceo; Ronald J. Souza, senior vp-director, client services; Phil Brady, vp-acct group super; Paul Schnieder, acct super.

ProClinica, New York—prescription prods—Mel Snyder, president; Robin L. Holton, genl mgr; Charles Beaver, client services; Janet Hodnett, M.S., M.T., (ASCP), program mgr; Stewart Gross, M.D., program mgr; Len Obsatz, vp-creative services; Maxine Gross, director, education art.

Jos. Schlitz Brewing Co.

	1981	1980
Sales	$881,674,000	$896,667,000
Earnings	(20,604,000)*	26,986,000
Advertising**	56,763,500	66,443,200

*(Loss)
**AA estimate

Jos. Schlitz Brewing Co., Milwaukee, the 85th largest national advertiser, cut ad spending by 15% to $56.8 million in the brewer's last full year as an independent company. Schlitz was acquired in June by privately held Stroh Brewery Co., which made it a wholly owned subsidiary.

Schlitz spent $56.8 million in 1981, compared with $66.4 million for the previous year, and saw a decline in sales, net earnings and barrelage. Sales for Schlitz in 1981 were $881.7 million, compared with the previous

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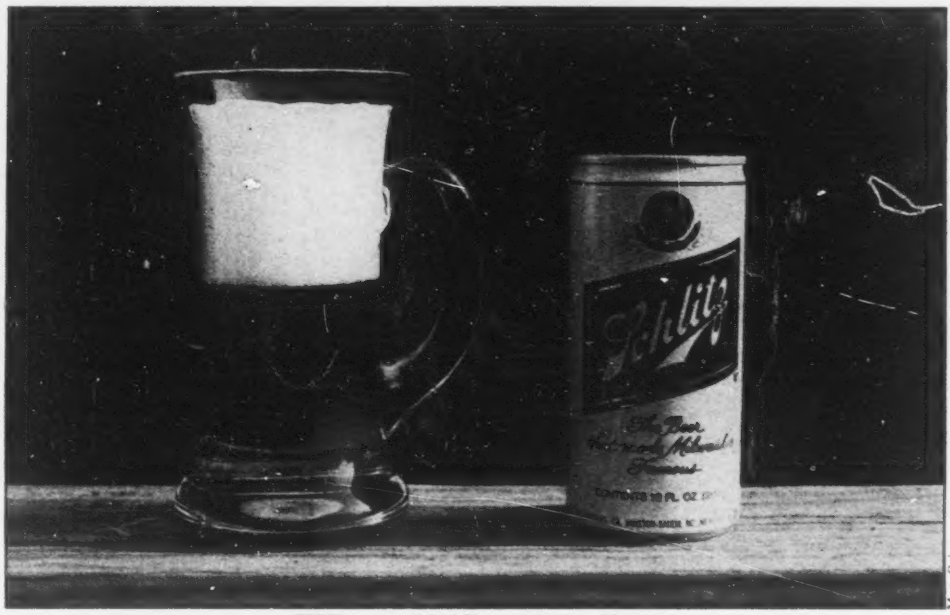

Mary Cairns

JWT—out of Schlitz and out of beer.

year's $896.7 million. The No. 3 brewer lost $20.6 million in net earnings, compared with a gain of $27 million the previous year. Part of the 1981 loss was attributed to a $45.1 million one-time loss resulting from the closure of the aged Milwaukee brewery.

And in barrelage, Schlitz sold 14.3 million bbls. in 1981, down from 14.9 million bbls. in 1980.

Management was quick to point out that last year's 4% barrelage decrease was a healthy sign that the brewer had dramatically slowed its steady decline. By contrast, the 4% dip was far below 1980's 11% drop from the previous year and 1979's 14.2% plunge, the company said.

The Stroh-Schlitz linkup creates a larger No. 3 brewer and a market share of 13%—with the smaller, Detroit-based Stroh providing a 5% share coupled with Schlitz' 8%.

But the Stroh-Schlitz acquisition move saw its share of bloodletting. Officials from both companies had privately discussed a series of merger options this year.

When amicable discussions broke off, Stroh stunned the Schlitz hierarchy by unleashing a surprise offer to shareholders of $16 per share.

Schlitz management viewed the takeover as unfriendly and filed suit to stop it. But Stroh persevered and achieved the necessary 67% control needed to garner acquisition backing from a consortium of New York and California banks. As the bulk of stock seeped into Stroh's possession and the government ruled it would not fight the merger, the Schlitz brass dropped the suit and succumbed to the inevitable. In a peacekeeping move, the Stroh board sweetened its bid to $17 a share.

In approving the deal, the Justice Department ruled Stroh would have to sell either Schlitz' Memphis, Tenn., or Winston-Salem, N.C., breweries. That ruling is meant to decrease market share concentration in the southeastern areas where both companies' brands do well. But neither Anheuser-Busch or Miller Brewing Co., which together have more than 50% of the national market, can purchase the brewery.

Bearing the brunt of the Stroh-Schlitz merger is La Crosse, Wis.-based G. Heileman Brewing Co., which was thwarted last year from merging with Schlitz, when the Justice Department ruled it would oppose the action because of antitrust considerations. At that time, the government said a Heileman-Schlitz coupling, which had been sanctioned by both boards, would produce anticompetitive market shares in the northern Midwest.

Heileman, which greatly needs to expand its presence in the Sunbelt, was also stopped this year from acquiring Pabst Brewing Co. and is seeking other acquisition alternatives.

Stroh's takeover of Schlitz has wrought a series of high-level staff changes. Longtime chairman Daniel McKeithan has been replaced on the Schlitz board by Stroh chairman Peter Stroh. Roger Fridholm, newly-selected president of Stroh, was named to the same office at Schlitz. Mr. Fridholm is also the president of brewer F.& M. Schaefer, Stroh's East Coast subsidiary.

The most visible change is the departure of chief executive Frank Seilinger, the spokesman for the flagship Schlitz brand. Mr. Sellinger retired from the company July 31 but retains consultant status. Mr. Sellinger, who operated as Schlitz chief executive officer, vice-chairman and president, had his responsibilities pared down to only vice-chairman in June. Anthony Amendola, executive vp-marketing, also left the company after participating in a series of unfruitful talks with Stroh management. Neither side could agree on Mr. Amendola's range of responsibilities with the new Schlitz subsidiary, prompting the marketing veteran's departure.

Other key marketing department personnel—including the brand directors of Schlitz/Schlitz Light and Erlanger—have left the company. Also, an estimated 400 to 500 workers are to lose their jobs as Stroh moves headquarter operations to Detroit.

Even before the merger, Schlitz had undergone a senior-level management shakeup. In November, 1981, Mr. Amendola joined Schlitz as executive vp-marketing and Arthur Tonna was promoted to executive vp-corporate operations. Also in this shuffling, Jerome Vielehr resigned as president, and Mr. Sellinger took on the duties of that office. Earlier that month, Robert Rechholtz resigned as vp-marketing to take a similar post with the Adolph Coors Co.

Mr. Sellinger's departure marks an end to the three-year Schlitz ad campaign that featured the master brewer as the focal point of the theme, "Behind every Schlitz is a man who knows his beer." That push replaced the "Taste my Schlitz" campaign, which played up the company's attention-generating "Taste-tests."

JWT had planned a new Schlitz campaign to debut in August that would resurrect the highly successful "Gusto" theme of years past. The new push had the theme, "Gusto is here," but the Stroh brass spiked the effort. JWT and Schlitz parted company in August after that campaign was killed.

JWT executives stated they would not take part in an across-the-board agency review conducted by parent Stroh management. As a result JWT dropped the estimated $20 million Schlitz, Schlitz Light and Erlanger business.

Also taking part in the review are incumbent Schlitz agencies BBDO, Benton & Bowles and MCA Advertising. BBDO handles Old Milwaukee and Old Milwaukee Light, Benton & Bowles handles Schlitz Malt Liquor and MCA handles Schaefer beer. Also up for review is Marschalk, which handles Stroh's and Stroh Light. At presstime, no final decision has been made.

Stroh intends to market its Stroh premium brand as the national flagship beer. The combination of a growing Stroh and a steadier Schlitz gives the brewer a one-two premium beer punch.

Although the Schlitz brand had its strongest ad presence in years, its share of market still continued to erode. An estimated 6.4 million bbls. of Schlitz were sold in 1981, compared with 7.5 million bbls. the previous year.

In addition, Schlitz became more dependent on popular-price Old Milwaukee and its cousin, Old Milwaukee Light. In 1981 Old Milwaukee held firm with an estimated 5.1 million bbls. and remained the leader of the popular beer segment. Old Milwaukee Light, which was introduced nationally in 1980, tallied sales of 300,000 bbls. in 1981. Wholesalers in key areas were bolstered by the sales of

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both brews and claimed it served to cushion the decline in Schlitz brand sales.

Ad spending for Schlitz beer dropped by 12%, from $19.6 million in 1980 to $17.3 million in 1981. Spending for Old Milwaukee only dipped 3%, from $5.5 million in 1980 to 1981's $5.3 million. Old Milwaukee Light saw a jump of 81%, going from $1.4 million in 1980, when it was nationally introduced, to $2.6 million in 1981.

Advertising for both Old Milwaukee brands capitalizes on the long-running "It dosen't get any better than this." Old Milwaukee Light uses the theme; "Old Milwaukee got the taste of light right."The spots continue to target young, male drinkers—considered to be the prime market for popular-price beers. BBDO, New York, handles.

Schlitz Light remained dormant throughout 1981, with only minuscule amount of ad spending, as the company continued to shuttle ad dollars toward revitalizing the flagship Schlitz. Schlitz Light sold 200,000 bbls. in 1981, compared with 400,000 bbls. the year before.

But one of the last efforts of an independent Schlitz Brewing was to reformulate the premium light beer and bolster it with a new tv campaign having the theme, "Schlitz Light stays light all night long." The beer is being targeted to upscale drinkers.

Superpremium Erlanger also slumbered last year and, as a result, dropped from 1980's 300,000 bbls. to 200,000 bbls. Ad spending dropped from $12.1 million in 1980 to only $3.3 million last year. Wholesalers continue to be dismayed over Erlanger's death rattles because the beer started with considerable promise when introduced in 1979. Now adding to that fear is concern that Stroh will scrap Erlanger in favor of its own new superpremium, Signature.

Schlitz Malt Liquor continues to lead the malt liquor segment and has remained steady at 2 million bbls. for each of the past two years. Ad spending remained the same at $4.6 million.

A Schiltz subsidiary, Geyser Peak Winery, is the nation's fourth-largest producer of premium wines. But the winery does not fit into parent Stroh's plans and has been put up for sale with an asking price of $30 million.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$385,500	$443,900
Magazines	2,593,800	1,471,300
Spot tv	10,735,600	17,403,900
Network tv	18,312,700	24,802,200
Spot radio	8,343,300	5,894,000
Network radio	64,200	40,500
Outdoor	2,328,400	387,400
Total measured	42,763,500	50,443,200
Unmeasured	14,000,000	16,000,000
Estimated total	56,763,500	66,443,200

MARKETING PERSONNEL

John Bissell, group vp-marketing
Hunter Hastings, vp-product management
Thomas Schwalm, group mktg director
John Hellweg, director, mktg services
Ray Gross, director of mktg research and planning
Charles Powell, Old Milwaukee Light, product mgr
Michael Jaeger, Schlitz malt liquor product mgr
Marsha Atwater, Erlanger product mgr

ADVERTISING AGENCIES

BBDO, New York—John Dunning, senior vp-mgmt super, Old Milwaukee, Old Milwaukee Light; William Sawyer, acct super, Old Milwaukee, Old Milwaukee Light.

Benton & Bowles, New York—Joe Carlucci, senior vp-mgmt super, Schlitz Malt Liquor.

Mendoza, Dillon & Asociados, Newport Beach, Cal.—Hispanic advertising, Schlitz, and Hispanic marketing—Robert Dillon, president and Paul Casanova, vp-acct services.

Burrell Advertising, Chicago—Schlitz, Erlanger black marketing—Tom Burrell, president; Julius Jones, acct super.

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Seagram Co. Ltd.

	1981	1980
Sales*	$2,772,733,000	$2,534,952,000
Earnings*	1,559,613,000	144,653,000
Advertising**	145,000,000	152,000,000

*Fiscal year ends July 31
**AA estimate

Joseph E. Seagram & Sons, New York, a subsidiary of the Seagram Co. Ltd., Montreal, and the 41st largest national advertiser, invested $145 million on advertising in 1981, a decrease of about 5% from 1980.

Worldwide sales for Seagram Co. Ltd. reached a record-breaking $2.77 billion in fiscal 1981, which ended July 31, 1981, climbing 9.4% over fiscal 1980. Net income before unusual credits and currency translation was $1.56 billion and includes the gain on the sale of the company's U.S. gas and oil holdings in 1981, the 1981 reversal of deferred income taxes related to United Kingdom stock appreciation relief and the 1980 gain on the sale of its office building in New York.

Operating income for Seagram Co. Ltd. rose 14.1% to $273.6 million. The company's 20% share of the newly merged Du Pont-Conoco corporation is valued at more than three times the earnings previously produced by Texas Pacific's U.S. oil properties, which Seagram sold in 1980 for $2.3 billion.

In 1981, the liquor industry's growth rate continued to fizzle, from 6% in recent years to almost zero in 1982. As a result, Seagram is turning to exports and shifting emphasis to wines and lighter drinks.

The company has become the country's second-largest wine advertiser, spending $20.9 million in 1980, despite a 10.1% cutback in advertising expenditures.

Even though whisky market sales have dipped, Seagram's 7 Crown has held its No. 3 position on *Business Week's* annual ranking of the nation's leading liquor brands, where it fell from No. 1 in 1979. Case sales for 7 Crown dropped to 5.7 million from 5.8 million in 1980, a 2.2% decrease. To increase sales, the company began a $1 refund offer on the 1.75 liter size bottle. Measured media ad spending in 1981 totaled $7.8 million.

Although Canadian whisky sales swelled by 2.5% in 1981, Seagram was not riding that wave. Case sales of Seagram V.O. dipped 3.6%, from 3.8 million in 1980 to 3.7 million in 1981. Despite measured spending of $13.2 million V.O. has stagnated at No. 4 on the *BW* survey.

The company attempted to raise that figure with an ad proclaiming, "There are over 3,000 imported whiskies in America. Only one can be a best seller. That's V.O. There's a reason why. Taste!" These advertisements, after a challenge before the National Advertising Division of the Council of Better Business Bureaus, were modified to read, "Taste! You be the judge. Discover why more V.O. is bought than any other imported distilled spirit in America. . ." The company is also inviting the consumer to taste V.O. with the enticement of a $1 mail-in coupon offer in 1982.

Kessler blended whisky has moved up two places on the BW list to No. 25, after it dropped from No. 22 the previous year. Nevertheless, case sales declined by 3.2%, from 1.5 million in 1980 to 1.45 million in 1981.

The trend toward lighter drinks and white liquor has helped Seagram gin, however. Sales over the past decade have grown 137%. With case sales of 2.7 million—a rise of 8% over 1980—Seagram gin rose one place on the *BW* ranking to No. 10, following a drop from No. 8 in 1979. Measured media spending for the brand totaled $3.3 million in 1981.

Wolfschmidt vodka shares the No. 31 spot with two other Seagram brands, Lord Calvert Canadian and Chivas Regal. Wolfschmidt's sales have shot up 6% to over the 1 million case mark—1.03 million—in 1981, while Lord Calvert declined 2.3% from sales of 1.05 million in 1980 to 1.03 million in 1981. Chivas Regal has risen one position on the rating from No. 32, despite a 2.3% drop in case sales.

One Seagram brand that did well over 1981 was Crown Royal, a premium Canadian whisky. Case sales of Crown Royal increased to 900,000 from 775,000 in 1980, a 15% increase and landing it at the 35th position in *BW's* list of top brands. It also received considerable measured media support in 1981—a total of $8.7 million.

Beyond its traditional brands, Seagram is introducing a new product in 1982 to buoy sagging spirit sales. Perhaps taking its lead from Gilbey's Baileys Irish Cream, which has enjoyed an amazing 150% rise in only one year of availability, Seagram is marketing Leroux Irish Cream, a 34-proof Irish import. Seagram's General Wine and Spirits Co. unit is advertising the liqueur as "so rich it's almost sinful."

Von Konig Silbervasser, a product backed by $1 million in ad support in 1980, was pulled from the market this year. The company's plans for this clear, light spirit to replace vodka and rum turned flat in three test markets. A Seagram representative noted that Von Konig Silbervasser's "profit potential was not high enough to warrant further interest on our part."

To counter the effect of plummeting grain alcohol sales, Seagram is looking toward international markets. Seagram's North American sales growth currently lags behind the international sales, which accounts for 34% of Seagram's revenues. The company, in fact, is said to be expecting that half its sales will derive from international operations by 1990.

The appointment of Edward F. McDonnell to president of Seagram International, a new post, reflects this emphasis on foreign markets. Formerly vp of the international group of Pillsbury Co., Mr. McDonnell will supervise market activities outside North America.

Seagram operates in 25 different markets outside North America. Its worldwide advertising and promotion budget escalated to $242 million in 1981. In one venture, the company's joint agreement in Japan with Kirin Brewery is paying off, as Robert Brown whisky approaches 1 million in case sales. Elsewhere, Seagram's Natu Nobilis whisky, marketed in Brazil, has shot up 40% over 1980.

These successes have led Seagram to expand in other foreign markets. The company purchased a 15% interest in the Bianchi Winery in Argentina and acquired Caves de Raposeira in Portugal, a producer of white and rose wines. It has entered into a joint venture in Korea with the Oriental Brewery Co. Ltd., and is beginning another joint venture in Thailand. The company also allied itself with Wilson Distillers in New Zealand in early 1982.

While it looks to expand the markets for its liquor brands, Seagram has been building up its wine resources to become the nation's sixth-largest winery, with a volume growth of 17.4% in 1981, to 17.5 million gals. The continuing surge in wine sales has led the company to consolidate its wine divisions. A new unit, Seagram Wine Cos., has been formed to unite the separate divisions of Browne Vinters, Gold Seal Vineyards and Paul Masson Vineyards. The unit is designed to direct all U.S. wine operations, excluding the Chateau and Estate and Fromm and Sichel companies.

The Seagram Wine Cos. report as a separate unit to William M. Wilbur, president of Joseph E. Seagram USA, the new business arm of Seagram that supersedes the House of Seagram as the company's North American marketing arm.

Stephen E. Herbits, formerly president of Browne Vintners, was appointed president of the Seagram Wine Cos., with overall responsibility for U.S. wine sales, marketing and production. However, Mr. Herbits resigned last month. His successor is Michael Cliff, former president of Gold Seal Vineyards, who had been executive vp-operations and development of the unit.

The popularity of wine has made Seagram's proprietary brands a profitable basket of cheer for the company. Partager, a French wine introduced as a competitor to American jug wine, was priced so low that the initial supply sold too quickly, and its availability was cut back.

Partager is the first French wine among the top 10 brands in the U.S., despite the fact that U.S. wine imports dipped 12.5% in 1980.

Testing has also begun for Nectarose, a French proprietary rose, which, along with Partager and Barton and Guestier, the company believes will put French wines back on the table.

The company is also counting on growth of Black Tower, a German import selling approximately 25,000 cases in 1981. To help reach a goal of 1 million case sales within five years, a coupon offer for a $1.50 refund on 750ml or one liter units is being offered this year.

As it tries to market these imports in the U.S., Seagram is introducing California wines overseas, recognizing that French and German wine sales are souring in Europe. It is also aiming for the United Kingdom market.

The company has marketed Paul Masson wines in the United Kingdom for three years with little promotional support. In 1981, however, Seagram is implementing a big advertising drive in the London area handled by Abbott Mead Vickers.

Domestically, Paul Masson's total volume grew 17.4% to reach 17.5 million gals., despite a 2.9% cutback in advertising to $12 million. The success of the Paul Masson line led the company to introduce a new product, Masson Light, in 1981. The brand has 33% fewer calories than regular wines, making it the lowest calorie wine on the market in 1981. Masson Light recieved the company's heftiest ad drive to date.

This year Seagram is introducing Catawba Dry and Light, with one-third fewer calories and only 9.5% alcohol, compared with 13% for traditional Catawba. The product is available in 750ml and 1.5 liter sizes.

The jump in wine sales has encouraged the company to invest in new products in the rum market, hoping sales figures for rum will parrot the growth in the wine market.

Two new products are being added to the Myers's rum line, which showed a 20% increase in 1981. Augmenting Myers's Original Dark will be Myers's Platinum White and Myers's Golden Rich, both white spirits. Seagram's Calvert Distillers is also testing a new product, Captain Morgan Spiced rum to boost sales.

Ronrico rum, which declined 4.2% in sales in 1981, was targeted for the young adult market in a promotional campaign. The company signed with Rockabill Inc., a music company, to have Ronrico sponsor the Marshall Tucker rock band in a series of summer concerts. The promotion included radio contests for tickets and magazine ads featuring the band.

In other Seagram ventures, Westmount Enterprises was formed early this year as a product development and venture capital division. The unit, headed by president David J. Blum, is focusing on the specialty food and nonalcoholic beverage categories.

Seagram's 1980 sale of its subsidiary, Texas Pacific Oil Co., to Sun Oil for $2.3 billion left the company ripe for acquisition. Wall Street speculation was bubbling over the target when, in December of that year Seagram signed a $3 billion revolving credit agreement with 31 U.S., Canadian and European banks.

In March Seagram made its move: A $2.03 billion tender offer for St. Joe Minerals, the leading producer of lead in the U.S. with holdings in coal and zinc. The takeover was scotched, however, when in April Fluor Corp., with a $2.6 billion offer, went away toasting a merger.

Two months later Seagram seized upon another target: Conoco, the country's ninth-largest oil company and second-largest coal producer. Seagram bid $3.7 billion for Conoco, precipitating a long bidding battle between Mobil, Du Pont and Seagram.

By August, Du Pont emerged the victor, winning Conoco for $7.8 billion—$3.8 billion in cash and the remainder in stock. The deal is the largest in corporate history, making Du Pont-Conoco the seventh-largest industrial corporation in the U.S.

Seagram was not iced out, however: The company traded in 27.9 million shares of Conoco it acquired through its tender offer for 47.6 million shares of Du Pont. Seagram now owns a 20% interest in the combined Du Pont-Conoco, making Seagram the single largest shareholder.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$12,758,300	18,042,600
Magazines	67,598,500	70,624,500
Spot tv	6,390,800	5,454,700
Network tv	13,958,800	11,207,300
Spot radio	228,300	358,800
Outdoor	13,445,700	11,652,000
Total measured	114,380,400	117,339,900
Unmeasured	30,619,600	34,660,100
Estimated total	145,000,000	152,000,000

JOS. SEAGRAM USA

New York

MARKETING PERSONNEL

William M. Wilbur, president
Lionel W. Greer, exec vp-sales/mktg
Joel Boyarski, vp-financial planning
Gideon Rabin, vp-pr

SEAGRAM DISTILLERS CO.

New York

MARKETING PERSONNEL

Walter Haimann, president
C. Richard Coffey, exec vp-sales
Joel D. Weiner, exec vp-mktg
Victor Samaha, vp-director of admin
Bernard Derringer, vp-mktg services
Thomas K, McInerney, vp-director mktg
Arthur Gertz, Alfred C. Lubin, natl sales promo mgrs
Joe A. Buckhalter, mgr-military sales/7 Crown sports program
Daniel O'Sullivan, director-sales service
Beatrice Caporale, mgr-sales service
Albert F. Sprung, director-mktg analysis
Georgette E. Mann, mgr-mktg analysis
Don Keeton, director-sales training
Carl Horton, natl prod mgr, Seagram's gin
Andrew Harmon, natl prod mgr, Seagram's V.O.
Vincent Partridge, natl prod mgr, Seagram's 7 Crown
Richard McCarthy, natl prod mgr, Crown Royal
Bernadette Moran, natl prod mgr, Wolfschmidt vodka
John Reese, natl prod mgr, Glenlivet scotch
Mark Gothberg, natl prod mgr, Myers's rums

ADVERTISING AGENCIES

Warwick Advertising, New York—Seagram's 7 Crown, Crown Royal, Seagram's V.O., Seagram's Extra Dry gin, Glenlivet scotch, Seagram's instil adv—James Driscoll, group senior vp, Michael Graham, Kenneth Sammon, senior vp-mgmt super; William Surtees, Leigh Schmalz, Howard Hersh, San Sebree, Connie Scholz, acct supers.

William Esty Co., New York—Wolfschmidt vodka, Myers's rum—John Scott, mgt super; Stan Joyce, acct super; Richard Rack, Ed Rosenthal, acct execs.

CALVERT DISTILLERS CO.

New York

MARKETING PERSONNEL

Marty H. Bart, president
Sheldon Katz, exec vp-sales
Michael Moore, exec vp-mktg
Steven J. Kalagher, vp-mkt planning
Jules Erwin, mktg communications mgr
David Newman, Rodger De Sarno, vps-directors of mktg
James Spillane, vp-natl programing
David I. Grossman, director of mktg analysis
Harold P. Prigge, Marvin Steinhardt, natl sales promo mgrs
Fred Ronai, natl prod mgr, Lord Calvert Canadian, Henry McKenna
Sam Ellias, natl prod mgr, Tuaca Liqueur, Captain Morgan rum
Martin Atlas, natl prod mgr, Jameson Irish whisky, Crown Russe
Mechele Plotkin, natl prod mgr, Calvert Extra
Dennis Brophy, natl prod mgr, Passport scotch
Michael Mailloux, natl prod mgr, Kessler Blended whisky and new prods
Margaret Heffernan, natl prod mgr, Burnett's gin, Calvert gin

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Calvert Extra, Lord Calvert Canadian, Calvert gin, Crown Russe vodka, Passport scotch, Henry McKenna bourbon, Jameson Irish whisky—Martin Kreston, group senior vp; Stephen Donenfield, vp-mgt super; Stanley Burger, Charles Rollins, vp-acct supers.

William Esty Co., New York—White Horse scotch, Burnett's gin, Logan Deluxe scotch—Leonard Faupel, senior vp-mgmt super; Carlo Demetrio, vp-acct super; Patricia Oehler, acct exec.

Warwick Advertising, New York—Kessler whisky, Tuaca liqueur—John F. Welsh, vice-chairman; James Driscoll, senior vp-mgmt super; Joseph Friel Jr., vp-acct super, Howard Hersh, acct exec.

North Castle Partners, Greenwich, Conn.—new prod projects—Len Ferraguzzi, senior vp-acct director-mgmt super.

Mingo-Jones Advertising, New York—minority adv for Lord Calvert Canadian, Burnett's gin and Calvert Extra—Fredd Grant, acct exec.

GENERAL WINE AND SPIRITS CO.

New York

MARKETING PERSONNEL

Seymour L. Leikind, president
Gerald N. Friedman, exec vp-sales
Gil Schy, exec vp-mktg
Robert Vosswinkel, vp-admin
Mac Taub, Mark Taxel, vps-directors of mktg
Robert A. Watkins, vp, natl programing
Stephen LaScala, mktg budget mgr
Robert Dow, Arthur Kayser, natl sales promo mgrs
Daniel J. Noonan, natl accts mgr
Andy Panagis, natl operations mgr
Robert Regulinski, mgr-mktg analysis
Robert L. Hinton, natl prod mgr, Boodles gin, Harwood Canadian
Anthony Moore, natl prod mgr, Eagle Rare bourbon, Nikolai vodka
Richard Shaw, natl prod mgr, Chivas Regal scotch
Tony Bongiovanni, natl prod mgr, Leroux cordials
John Hartrey, natl prod mgr, Ronrico rum
Marcia Clay, natl prod mgr, Lochan Ora liqueur, Royal Salute scotch
Errol Holt, natl prod mgr, Vandermint, Sabra, Cheri-Suisse liqueurs

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Chivas Regal, Royal Salute, Ronrico rum, Lochan Ora liqueur—Martin Kreston, group senior vp; Mike Marshall, vp-mgmt super; Joe Trombino, Herb Jacobs, vp-acct supers, Ann Davies, acct exec.

William Esty Co., New York—Leroux cordials, Leroux brandy—Len Faupel, mgmt super; Carlo Demetrio, acct super; Robert Adams, acct exec.

Warwick Advertising, New York—Eagle Rare bourbon, Harwood Canadian, Vandermint, Sabra and Cheri-Suisse, Nikolai vodka and Boodles gin—John Driscoll, senior vp-mktg; Joseph Friel Jr., vp-acct super.

SEAGRAM WINE COS.

(including Browne Vinters Co., Gold Seal Vineyards and Paul Masson Vineyards)

Michael P.H. Cliff, president
Mary Cunningham, exec vp-planning
Samuel Bronfman, exec vp-sales
Jon A. Fredrikson, exec vp-finance and admin
Jay Morris, exec vp-mktg
Robert O'Dowd, senior vp-distributor relations
Ralph Anderson, vp-control states and military
Joseph C. Cook, vp-hotels, restaurants, transportation and special projects
Gerald Ramu, vp-enology
Neil R. Sweeney, vp-training and devel
Philippe de Beaumont, director-devel
Chet Hutchinson, director-Paul Masson human resources
Ralph Sackerman, director-profit planning, economic analysis and systems devel
Eileen Smith, exec assistant to the president

BROWNE VINTNERS

New York

MARKETING PERSONNEL

George Reichling, senior vp, Seagram Wine Cos., Browne Vintners sales
Frank McCarthy, senior vp, Seagram Wine Cos., Browne Vintners mktg
Ed Cohen, vp-profit planning and admin, Gold Seal, Browne Vintners
Jay Flynn, vp-prod group director, Black Tower, Partager, Nectarose, new prod
George Scheppler, vp-prod group director, Mumm, B&G, Kayser, Bersano, Brolio, Ricasoli
John Agate, prod mgr, B&G, Kayser, Bersano, Brolio, Ricasoli
Kevin MacDougall, prod mgr, Black Tower
Arthur Mehmel, prod mgr, Partager
Chris Carrington, prod mgr, Nectarose
Jason Drapkin, sales promo mgr

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Mumm champagnes, B&G French wines, Nectarose, Partager—Martin Kreston, group senior vp; Charles Traynor, mgmt super; Bruce Buchanan, acct super.

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LNA

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William Esty Co.,New York—Black Tower, Brolio, Bersano, Ricasoli, new prods—Len Faupel, mgmt super; Stan Joyce, acct super.

North Castle Partners, Greenwich, Conn.—Julius Kayser wines, Mumm cognac, new prods—Charles Taney, acct director-mgmt super; Evie Coghlan, acct super.

GOLD SEAL VINEYARDS

New York

MARKETING PERSONNEL

Howard Kaufman, senior vp, Seagram Wine Cos., Gold Seal sales
Jay Gronlund, senior vp, Seagram Wine Cos., Gold Seal mktg
Max Braverman, vp-admin and special sales
Howard Garfinkel, vp-asst natl sales mgr

ADVERTISING AGENCY

William Esty Co., New York—Gold Seal, Henri Marchant champagnes and wines—Len Faupel, senior vp-mgmt super; Carlo Demetrio, vp-acct super; Robert Adams, acct exec.

PAUL MASSON VINEYARDS

Saratoga, Cal.

MARKETING PERSONNEL

Edward J. Caan, senior vp, Seagram Wine Cos., Paul Masson sales
Jeff Heimbuck, senior vp, Seagram Wine Cos., Paul Masson mktg
Morris Katz, exec vp-production
Jan Wells, vp-director of pr
Roger Felton, vp-creative design
Richard Moyer, Michael Piacentini, vps-group prod directors
Robert Roos, director-intl mktg
Paul Herting, natl sales promo mgr
Mike D'Hoostelaere, prod mgr, generics and sparkling wines
Rusty Ach, prod mgr, varietals and gift packs
Bruce Labadie, publicity mgr
Louis Keyes, prod manager, Masson Light and brandy

ADVERTISING AGENCY

Doyle Dane Bernbach, Los Angeles—Paul Masson wines—Rich Edler, exec vp-mgmt super; Roger Lavery, vp-acct super; Bruce Miller, vp-acct super; Candy Kaelin, John Buckingham, acct reps.

CHATEAU & ESTATE WINES CO.

New York

MARKETING PERSONNEL

Abdallah M. Simon, president
David S. Milligan, vp-sales
Charles K. Frankel, vp-admin
John W. Laird, vp-mktg

ADVERTISING AGENCY

William Esty Co., New York—Chateau Larose Trintaudon, Les Charmes white burgundy, Perrier-Jouet champagnes, Sandeman Armada Cream sherry—Leonard Faupel, mgmt super; Carlo Demetrio, acct super; Patricia Oehler, acct exec.

FROMM & SICHEL

San Francisco

MARKETING PERSONNEL

Mel Chernev, president
John Grady, vp-mktg services
Al Nirenstein, exec vp-mktg
Eric Kritz, prod mgr
Jim Farrell, sales promo mgr
Ed Scott, natl mktg mgr

ADVERTISING AGENCY

Ketchum Advertising, San Francisco—Christian Brothers wines and brandies—Eugene Grealish, Lynn Upshaw, mgmt supers.

SUMMIT SALES CO.

New York

MARKETING PERSONNEL

Robert A. Monroe, president
Thomas M. Collins, vp-admin and planning
Thomas P. Cekay, natl sales mgr
Michael Ford, natl sales mgr
Robert C. Zukowski, operations mgr

Sears, Roebuck & Co.

	1981	1980
Sales	$27,357,000,000	$25,161,000,000
Earnings	650,000,000	610,000,000
Advertising*	544,104,500	467,713,600†

*AA estimate
†Restated

Sears, Roebuck & Co., Chicago, the nation's second largest advertiser, increased ad spending 16.3% in 1981 to $544.1 million, as the nation's No. 1 retailer directed attention toward strengthening its merchandising base and expanding into the financial services industry.

Operating revenue for the retail giant increased 8.6%, jumping to $27.36 billion from $25.16 billion the previous year. Net income was $650 million compared to 1980's $610 million, an increase of 6.6%.

Sears gained back some of the retailing momentum it had lost in recent years, as revenues from the merchandising operation increased by 8% in 1981 to a record $18.2 billion. Merchandising sales represent 64% of the company's revenue total. The group's sales had been flat for the past two years.

Ad spending for the merchandise group increased 17.2% to $633 million in 1981 from the previous year's $540 million. The company attributed the increase mainly to rising newspaper and broadcast rates. Catalog costs of approximately $30 million brought the merchandise group's total to $663 million.

Not included in the company's total ad spending is $343.4 million spent in newspaper advertising, up from the previous year's $330.1 million. These figures reflect local rather than national advertising.

Sears is pumping renewed life into the merchandise group in part by giving older stores a new, more vibrant look. Aged departments are being freshened with a new look, complete with contemporary fixtures, and revamped departments are carrying more brand names.

For the first time, Levi's shops are becoming part of the scenery, and other brand names are expected to follow. In addition, clothing apparel will be housed in smaller boutiques, and sporting goods will be showcased in separate "athletic" departments.

Continuing to roll is the Cheryl Tiegs line of women's sportswear, which has tallied an estimated $200 million in sales since its introduction 15 months ago. Sears is reportedly seeking a male sports counterpart to represent men's fashion but has been hard pressed to find a marketable personality.

Sears is also planning to cut back on unprofitable lines, but is still going strong with its Craftsman tools and auto-battery business, where it controls 70% and 40%, respectively, of those markets.

A major ad agency change took place within the apparel group. Sears opted to consolidate its three separate lines under one agency, thereby breaking up a triumvirate that included Chicago's Foote, Cone & Belding, women's apparel; Stern Walter/Earle Ludgin, children's clothing, and McCann-Erickson, men's apparel. The estimated $35 million account ultimately went to Needham, Harper & Steers. In addition, J. Walter Thompson USA was named to handle all the supplemental tv and radio buys.

Robert Wood II, vp-advertising and sales for the apparel division, said the agency consolidation was a response to an emerging consumer trend that has spawned a "blurring of the lines" between the three clothing units. More customers were buying goods from all three categories, and Sears thought it was best that one agency handle that type of marketing chore, he said.

Sears' most spectacular efforts centered on its effort to become a significant force in the financial services arena. In late 1981, Sears proposed friendly takeovers—ultimately successful—of Dean Witter Reynolds Organization, the nation's fifth-ranked brokerage house, and Coldwell Banker & Co., the country's largest real estate broker. Sears paid $607 million for Dean Witter and $179 million for Coldwell Banker & Co.

The company also forged ahead in the business machine segment by opening 45 free-standing business systems stores selling computers, copiers and other electronic products.

The addition of Coldwell Banker and Dean Witter sparked a corporate restructuring within Sears. The new entities are the Coldwell Banker Real Estate Group, previously known as the Seraco Group; Dean Witter Financial Services Group, previously known as the Financial Services Group, and the Allstate Insurance Group, previously known as the Allstate Group.

The Allstate Insurance Group continues to generate cash. Revenues jumped by 10% to $6.8 billion in 1981 from the 1980's $6.2 billion. But ad spending decreased 26%, dropping from $24.6 million in 1980 to last year's $18.1 million. During 1981, the Allstate Group generated $1 billion in new funds to the parent company, compared with $933 million in 1980.

Sears made some major executive changes. Archie R. Boe, former chairman and ceo of the Allstate Group, was elected president of the corporation. Edward Telling, chairman and ceo of Sears, also held the office of president before Mr. Boe was elected. Donald Craib succeeded Mr. Boe as Allstate's chief. Also, J. Pat Galloway was named executive vp-East of the merchandise group, succeeding William Bass, who was named senior exec vp-field.

ADVERTISING EXPENDITURES

	1981	1980*
Newspapers	$303,100	$113,600
Magazines	59,725,500	32,057,700
Spot tv	13,871,000	15,553,600
Network tv	88,002,000	86,951,500
Spot radio	6,181,900	2,543,400
Network radio	10,340,200	5,366,500
Outdoor	50,900	793,200
Total measured	178,474,600	143,379,500
Unmeasured	365,629,900	324,334,100
Estimated total	544,104,500	467,713,600

*Restated

SEARS, ROEBUCK & CO.

MARKETING PERSONNEL

Edward Brennan, chairman & ceo, merch group
Joseph Moran Jr., senior exec vp-merch
Robert Wood II, vp-ad and sales
Ed Cameron, natl retail genl merch mgr
Ernest J. Chapleau, natl catalog merch mgr
Ronald Ramseyer, natl mgr catalog adv
David G. Slothower Jr., natl retail adv mgr

ADVERTISING AGENCIES

Foote, Cone & Belding, Chicago—automotive, recreational, leisure—Paul Vernon, group mgmt super; Tom Marti, vp; John Murphy, acct super; Donna Fanning, acct exec-recreation; Jim Mitchel, acct exec-automotive.

Hispania, subsidiary of J. Walter Thompson USA, New York—Hispanic consumer market—Caroline Demy, genl mgr; Chris Loffler, mgr-Hispania, Chicago; Kathleen Nicolini, acct rep.

J. Walter Thompson USA, Chicago—home improvements, Kenmore dishwashers—Bob Westerfield, senior vp-group acct director; Charles Larson, vp-acct director; David Blanton, Dave Throop, Dan Roman, acct supers; Paul Krause, Richard Everett, N. Swamy, acct reps.

Ogilvy & Mather, Chicago—corporate adv, credit market, Kenmore appliances, color tv, home fashion, AOR-prime time tv—Hank Bernhard, vice-chairman, O&M U.S.; Bill Whitney, senior vp-mgmt director; Jeff Woll, group mgmt super; Allan Mager, mgmt super.

Needham, Harper & Steers, Chicago—apparel group—Lee J. Landon, vp-acct super, menswear; Valerie Wiley, acct exec, menswear; Walter Menzel, vp-acct super, women's wear; Val Gleason, acct exec, women's wear; Karen Wagenknacht, vp-acct super, children's apparel.

Nellson-Woodward, Chicago—Yellow Pages—Garry Woodward Jr., vp-genl mgr.

N W Ayer, Chicago—Sears business stores—Maggie Arquilla, acct super; Bob Mickels, mgmt super; Pam McCambridge, acct exec; David Kirk, asst acct exec; Patricia Morrison, direct response.

Stern Walters/Earle Ludgin, Chicago—contract and catalog sales—Maryanne Friend, vp-client mgr; Cathy Beazley, acct super-catalog; Earl Arnold, vp-acct super-contract.

Stone & Adler, Chicago—direct response—Mark Weinstein, exec vp.

Vince Cullers Advertising, Chicago—rsch and mktg assignments, AOR black media, adv in black market—Vince Cullers, president.

SmithKline Corp.

	1981	1980
Sales	$1,985,341,000	$1,771,938,000
Earnings	370,000,000	307,994,000
Advertising*	89,265,000	81,438,800

*AA estimate

SmithKline Corp., a Philadelphia-based healthcare company, is the 60th largest national advertiser in the U.S. Last year, the company spent an estimated $89.3 million on advertising, a 10% increase from 1980.

During 1981, SmithKline's sales reached $1.99 billion, up 12% from $1.77 billion in 1980. Of that amount, U.S. sales totaled $1.16 billion, a 21% increase over 1980.

International sales, which made up about 42% of total sales, reached $823 million, representing only a 1% increase over 1980. Net income was up 20%, from $308 million in 1980 to $370 million in 1981.

Among SmithKline's holdings, it is the ethical pharmaceutical group that has been on a fast track for the past five or so years. Last year, sales in this area went from $1.07 billion in 1980 to $1.22 billion, a 14% increase. The 1981 figure surpasses the total of all other operations combined, including consumer drug products, animal health products, eye and skincare products and clinical laboratories. Combined sales for these other properties came to $764.6 million last year.

Highlights of 1981, according to president Henry Wendt (and, as of early this year, chief executive officer as well), included gaining approval to market the much heralded Tagamet in Japan, the successful completion of the clinical studies for the company's new antiarthritic compound Ridaura, intensified efforts in the anti-infectives category and the groundbreaking for a $20 million molecular biology center outside Philadelphia, scheduled to be completed in 1983.

Also, in March, SmithKline took some of those Tagamet profits and acquired Beckman Instruments to form the SmithKline Beckman Corp. Beckman Instruments, involved with bioengineering and *in vitro* diagnostic products, had current assets of $460 million as of December, 1981, and for the past five years has had an annual growth rate in total assets of 27%.

As for the lucrative area of ethical drugs, SmithKline's U.S. sales last year reached $648 million, up 26% from 1980 figures of $513 million. International

South American

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10 CAPSULES

Mary Herlehy

SmithKline's flagship brand fights the symptoms of slipping sales.

sales, up 4%, to $573 million from $552 million in 1980, were hurt by the increasing strength of the dollar in foreign currency translations, the company said.

The leaders within the ethical pharmaceutical group are the gastrointestinal products. Sales grew 20% last year, reaching $776 million.

The product that is responsible for some 90% of this amount is the anti-ulcer drug Tagamet, the brand name for cimetidine. In lay terms, Tagamet soothes those who suffer from ulcers by blocking the stomach acids that help create them.

Research for the product, begun around the middle 1960s, centered on histamine, a body chemical tending to be a sidekick to tissue irritation. Dr. James W. Black, an English physician, realized that antihistimines then on the market could alleviate symptoms of allergies and hay fever, but they could not prevent histamine from producing stomach acid that helped create ulcers. His theory was that the body had two, not one, receptors through which histamine worked. His research concentrated on finding the second receptor, the H2 receptor, through which stomach acid is produced, and developing an antihistamine to block it. Tagamet proved to be that drug.

Introduced into the U.S. in 1977, Tagamet is now used in more than 125 countries by some 20 million ulcer sufferers. Sales grew 84% during that introductory year. In 1980, it became the No. 1-selling drug in dollars in the U.S., bypassing Hoffman-La Roche's Valium. Last year, it held that lead in dollar sales and worldwide sales, and had currencies been more stable, would have been up 31%. Nevertheless, it is considered the largest-selling prescription drug in the world.

In January, 1982, Tagamet was introduced into Japan through SmithKline & Fujisawa KK, a joint venture company created through SmithKline and Fujisawa Pharmaceutical Co. Its use to treat gastric ulcers, as well as duodenal ulcers, has been approved in the country.

According to John Groom, vp of SmithKline and president of international pharmaceutical products, there is a higher incidence of gastric ulcer in Japan than in the U.S. Another factor that indicates future healthy sales of the drug in Japan, according to Robert Benezra, vp in charge of pharmaceutical research at Alex Brown & Sons, Baltimore, is that Japanease doctors fill prescriptions as well as prescribe them and depend on this for their yearly income. The market, says Mr. Benezra, is second to the U.S. in terms of pharmaceuticals, even with one-half the population of the U.S. Sales in Japan in 1982 are expected to exceed $60 million. "We believe," Mr. Benezra said, that with "Japan playing its part, that Tagamet will bring some $890 million in sales this year."

There is, however, one small cloud on Tagamet's horizon—competition from a product called Zantac, produced by Glaxo pharmaceutical company, one of the largest in Great Britain. Like Tagamet, Zantac is an H2 receptor antagonist, and it is Tagamet's only competition overseas. (Glaxo is awaitingFDA approval in the U.S.)

Beyond Tagamet, another major ethical drug SmithKline markets is Dyazide, a cardiovascular product that is No. 1 in its category. Sales in this group were up 20% for SmithKline, from $162 million in 1980 to $194 million last year. U.S sales were up 23% and for the fifth year in a row, Dyazide itself—a potassium-sparing oral diuretic—has held its lead in the U.S.

The antibiotics area grew 8%, although it was Ancef, an injectable cephalosporin, that did particularly well, coming up with a 36% sales increase in the U.S. Ancef (cefazolin), was introduced by SK&F in 1973 and is now, according to the company, the most widely used injectable cephalosporin in U.S. hospitals because of its relatively low cost and its effectiveness.

Two new products in this area are being developed. One, Cefizox, is effective in countering many infections that are resistant to existing antibiotics. It is awaiting FDA approval. The second, Monocid, would be the "world's first once-a-day-injectable cephalosporin antibiotic." The single dosage would help curb the administrative costs associated with having to inject medication several times a day. This product is also awaiting FDA approval.

In the over-the-counter and consumer healthcare arena, SmithKline saw sales of its Menley & James Laboratories unit climb to $183 million in 1981, up 5% from 1980, compared with a 33% increase from 1979 to 1980. According to the company, one of the reasons for the low growth rate in the consumer products category is that last year was the mildest cold season in 20 years. Another is that retailers and wholesalers, wanting to keep costs down, are also keeping inventories low.

Although the company credits Contac, the group's flagship product, with an "excellent year," actual dollar market share dropped from 15.3% in 1980 to 13.9% in 1981 and unit share was down from 16.6% to 15.1% in 1981. Advertising support for Contac cold capsules was down 21%, from $13.6 million in 1980 to $11.1 million in 1981, according to Leading National Advertisers. Contac Severe Cold Formula was a major introduction in the fourth quarter of the year. This product, for colds with flu-like symptoms, is positioned in the growing multisymptom segment of the cold market. Contac's chief rival continues to be Richardson-Vicks' NyQuil, which was supported with an ad increase of 20% last year and leads the cough and cold remedy category with an 18% dollar market share and a 14% unit share.

Ecotrin, a medication for arthritis, was up 45% in unit and dollar sales last year, while within the consumer product sinus category, the performance of Menley & James' Sine-Off was mixed.

Sine-Off's dollar market share was up from 25% in 1980 to 26.4% in 1981, but its unit share was down from 26% in 1980 to 25.8% in 1981. Ad spending for Sine-Off tablets and spray leaped 172% from $1.2 million spent in 1980 to $3.3 million in 1981. Sine-Off Extra Strength No Drowsiness Formula capsules, a line extension, was introduced in 1981.

MenJ also competes in the allergy category with Teldrin, a product that has shown consistant growth since it was first marketed over-the-counter in 1978.

Sales of Dietac, timed-release diet capsules, were down last year, even with an 31% increase in ad spending, from $9.5 million to $12.4 million.

SmithKline's healthcare concerns are not limited to the human consumer. Those of the canine variety had a fortunate year last year, as the company's Norden Laboratories came out with a "canine-origin" vaccine under the Vanguard label that is effective against Parvovirus, a quickly debilitating intestinal disease that is particularly devastating to younger dogs.

Norden also makes vaccines for cattle and pigs. Sales for this division reached $142 million in 1981, up 5% from the year before. In addition to the Parvovirus vaccine, Filaribits, a tablet for protection against heartworm disease, also did well.

Eye and skincare products, marketed through SmithKline's Allergan Pharmaceuticals subsidiary, had an "outstanding" year, according to the company. Sales went up 26%, from $110 millior to $139 million. At com-

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parable currency exchange rates, the company noted, the growth would have been 33%.

Allergan's No. 1 product continues to be Soflens Enzymatic Contact Lens Cleaner. For the second year in a row, more people cleaned protein deposits off their soft contact lenses with this product than any other. It is the world's leading contact lens product, according to the company. Clinical Laboratories, SmithKline's ring of regional laboratories in the U.S. and Canada, enjoyed a sales increase of 38%, from $70 million in 1980 to $96.7 million in 1981. During the latter part of the year, the subsidiary acquired two properties, Upjohn Co.'s King of Prussia, Pa.-based Clinical Laboratory Procedures and Pathologists Service Professional Associates, near Atlanta.

Sales in the industrial industries instruments area, which includes instruments for nondestructive testing, ultrasonics assembly and ultrasonic cleaning, dropped in 1981, from $141 million to $140 million. Reasons for the disappointing year are attributed to the sluggish economy and high interest rates. Even with the drop, SmithKline continued its leadership in the area of ultrasonic technology.

The medical diagnostics operations, mostly in the U.S., were revamped in 1981. The medical ultrasonics business was sold to Xonics Inc. Sales were down from $68 million in 1980 to $63 million in 1981.

The big question for SmithKline is whether lady luck will glance at SmithKline twice. There is some cause to believe that she indeed has. A lot of attention has been stirred recently by the new SmithKline product Ridaura, an oral gold compound medication for use in treating rheumatoid arthritis.

But the company does not expect this to be another Tagamet for several reasons. One, the drug is for a specific audience. There are approximately 6.5 million people in the U.S. and about 10 million overseas who suffer from the crippling disease. So the potential market base is smaller to begin with. Nevertheless, according to one industry consultant's estimate, eventual annual sales for the product will be around $400 million. An FDA advisory committee has recommended Ridaura for approval and it is targeted for release in the U.S. early next year.

According to advertising tracking sources, SmithKline pulled some ad support from newspapers, magazines, spot and network radio last year and increased ad spending in farm publications, spot and network tv. More exactly, spending in newspapers dropped 30%, from $33,000 to $23,000; magazines, 21%, from $7.3 million to $5.8 million; spot radio was eliminated, and network radio slid 39%, from $2.3 million to $1.4 million.

On the other hand, spending was up 15% in network tv, from $22.5 million to $25.9 million; 26% in spot tv, from $3.8 million to $4.8 million, and 89% in farm publications, which went from $513,400 to $969,500.

According to SmithKline chairman Robert F. Dee, the company's major focus will continue to be on ethical pharmaceuticals. Research and development is also vital. Three-fourths of the corporate research and development budget is earmarked for new drug search. The goal, he says, is "$4 billion" in sales by the middle of the 1980s, and "we plan to double that figure by 1990."

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$23,600	$33,600
Magazines	5,813,500	7,354,200
Farm publications	969,500	513,400
Spot tv	4,816,100	3,775,400
Network tv	25,856,000	22,529,100
Spot radio	—	51,400
Network radio	1,386,800	2,281,700
Total measured	38,865,500	36,438,800
Unmeasured	50,400,000	45,000,000
Estimated total	89,265,000	81,438,800

SMITHKLINE & FRENCH LABORATORIES

Philadelphia

MARKETING PERSONNEL

Alan J. Dalby, exec vp-SmithKline Corp. and exec vp-pharmaceutical prods.
Thomas M. Collins, vp-SmithKline Corp. and president-SmithKline & French Laboratories, U.S.
John Groom, vp-SmithKline Corp. and president-SmithKline & French Laboratories-intl
Harry C. Groome III, vp-mktg-U.S.
William S. Pilling, vp-mktg admin, U.S.
Joseph Rutledge, vp-customer affairs-U.S.
Robert Cook, vp-sales mgmt, U.S.
Charles P. Lowman, vp-mktg communication, U.S.
Alan Klawans, director of design, U.S.
A.L. Wright, director-adv and sales promo, U.S.
Donald Boultbee, vp-intl mktg and business devel

BECKMAN INSTRUMENTS

Fullerton, Cal.

MARKETING PERSONNEL

Dr. William F. Balhaus, president
Louis T. Rosso, senior vp-operations
Joseph Ashley, vp-mgr, healthcare group
Roy F. Brown, vp-mgr, process instruments & controls group
George E. Walters, vp-mgr, electronic technologies group
Harold J. Peper, vp-mgr-analytical instruments, sales & service div
Robert R. Crittendon, mgr-mktg communications

ADVERTISING AGENCY

Cochrane Chase, Livingston & Co., Irvine, Cal.—Frank Addis, acct exec; Hugh Sutherland, mgmt super; Gary Cunningham, creative director.

MENLEY & JAMES LABORATORIES

Philadelphia

MARKETING PERSONNEL

Peter Godfrey, president-SmithKline consumer prods
Richard E. Bagley, vp-genl mgr-U.S. operations
Jorge Valls, vp-genl mgr, intl operations
Samuel Rulon-Miller, vp-worldwide strategic services
William P. Howe, vp-mktg, director-product business strategy
Victor Galef, vp-marketed prods strategy
Allan E. Sandy, vp-sales

ADVERTISING AGENCIES

Ogilvy & Mather, New York—Contac, Contac Jr., Sine-Off, A.R.M. allergy relief medicine and ecotrin—David Scott, creative director; Doug Bruce, mgmt super; Ben West, acct super.

Grey Advertising, New York—Teldrin—Fred Millmann, mgmt super.

N W Ayer, New York—Dietac—Ruth Salevouris, mgmt super; Janet Keeler, acct super; Robert Schultz, acct super.

SMITHKLINE ANIMAL HEALTH PRODUCTS

Philadelphia

Norman Blanchard, president-SmithKline animal health prods
Han van Veen, general mgr-pharmaceuticals and feed additives, U.S. and Canada
Gerald Myers, natl sales mgr-pharmaceuticals and feed additives, U.S. and Canada
Charles F. Mannen, mgr-mkt planning & services

ADVERTISING AGENCY

Fletcher/Mayo Associates, St. Louis, Mo.—Alice Phelan, acct super.

NORDEN LABORATORIES

Lincoln, Neb.

MARKETING PERSONNEL

John P. Wareham, president
Daniel P. Hinnah, vp-mktg
Lyle Ashleford, adv mgr

ADVERTISING AGENCY

Bozell & Jacobs, Omaha, Neb.—Omer Dye and Wes Newhaus, acct execs.

ALLERGAN PHARMACEUTICALS

Irvine, Cal.

MARKETING PERSONNEL

Gavin S. Herbert, president
William Shepherd, president-Allergan, U.S.
Richard Ulmer, senior vp-U.S. operations

HUMPHREY INSTRUMENTS

San Leandro, Cal.

MARKETING PERSONNEL

M.J. Hansen, president
Keith Ignotz, vp-mktg
Nick Lurowist, mktg mgr

GEOMETRIC DATA

Wayne, Pa.

MARKETING PERSONNEL

George Bird, president
Paul Rust, vp-sales and mktg
William Richardson, natl sales mgr

SMITHKLINE CLINICAL LABORATORIES

Philadelphia, Pa.

MARKETING PERSONNEL

George W. Ebright, president-Clinical Laboratories businesses
Charles Taverna, director-mktg

BRANSON CLEANING EQUIPMENT CO.

Shelton, Conn.

MARKETING PERSONNEL

Robert J. Hunter, president
James Mengason, director-mktg
Thomas Thill, mktg communications mgr

ADVERTISING AGENCY

Adams Rickard & Mason, Glastonbury, Conn.—Al Mason, acct super

BRANSON INTERNATIONAL PLASMA CORP.

Hayward, Cal.

MARKETING PERSONNEL

Richard Taylor, genl mgr
Kenneth Arsenault, mktg mgr
Jan Colometti, adv mgr

BRANSON SONIC POWER CO.

Danbury, Conn.

MARKETING PERSONNEL

Donald Kolb, vp-mktg, North America
Ed Samuels, natl sales director
Mark Miller, adv and sales promo mgr

KRAUTKRAMER-BRANSON INTERNATIONAL

Stratford, Conn.

MARKETING PERSONNEL

Robert Rerrott, president
Daniel E. McNulty, vp-worldwide mktg
James Ebers, vp-operations
Richard Hull, genl mgr, North America operations

KB-AEROTECH

Lewistown, Pa.

MARKETING PERSONNEL

Glenn Martin, genl mgr
James Sabol, industrial mktg mgr
Lee Fenicle, medical/mktg mgr

Sterling Drug

	1981	1980
Sales	$1,792,925,000	$1,701,433,000
Earnings	130,303,000	123,337,000
Advertising*	89,700,000	89,600,000

*AA estimate

Sterling Drug, New York, the nation's 59th largest advertiser, spent an estimated $89.7 million on U.S. advertising in 1981, up modestly from $89.6 million in 1980.

The company reported worldwide advertising expenditures of $241.7 million in 1981, an increase of 3.7% from last year's figure.

Worldwide sales in 1981 totaled nearly $1.79 billion, up 5% from $1.70 billion in 1980. Net income for the year rose to $130.3 million, an increase of 6% over 1980. U.S. sales stood at $1.03 billion, up 8% from $956.4 million in 1980. Sterling, which markets products in the U.S. and 125 other countries, derives about 44% of profits from abroad.

Worldwide sales for the first six months of 1982 fell 3% to $856 million from the same period a year earlier. Earnings dropped 5% in the first half to $56.9 million. Chairman-chief executive officer W. Clarke Wescoe said the declines occurred primarily in foreign sales—accounting for close to half of the company's total sales—because of currency translation against the strong U.S. dollar. However, all four of Sterling's groups operating abroad reported sales increases in local currencies.

Domestically, Sterling operates within five business segments: Pharmaceutical specialties, proprietary products, household products, chemicals and other products and environmental control. Foreign operations are conducted through four business groups.

Sales for pharmaceutical specialties, which also include results of Sterling Organics (U.S.), were $207.3 million, up 13.6% from $182.5 (restated) million in 1980. Operating profits increased 12.7% from $24.2 million to $27.3 million in 1981. Principal products of this group include Demerol and Talwin potent analgesics; Danocrine, for treatment of endometriosis and fibrocystic disease of the breast in women; Amipaque, Hypaque, Telepaque and Bilopaque radiopagues; NegGram antibacterial; pHisoHex antiseptic skin cleanser; Isuprel and Bronkosol bronchodilators, and Marcaine and Carbocaine anesthetics.

In October, 1981, the Food & Drug Administration tentatively approved Sterling's claim that its Winstrol brand stanazolol was effective in treating osteoporosis. And early this year, the company's Conagraf brand of Durapatite, a product that aids in bone restoration following tooth extraction, received FDA approval; it will be marketed by Cook-Waite Laboratories, Sterling's dental division.

Proprietary products posted sales of $222.7 million in 1981, up 4.4% from $213.4 million in 1980. Operating profits increased by 2.3%, from $40.5 million last year to $41.4 million. Products in this group are marketed chiefly by Glenbrook Laboratories, a unit of the pharmaceuticals group. Also included in the proprietary segment are results of the consumer products division of Winthrop Laboratories and two self-medications made and marketed by the Lehn & Fink products group.

Sales of Glenbrook Laboratories' leading product, Bayer aspirin, saw no improvement last year because of increased competition in the field, the company reported. Market share estimates among analgesics last year put Bayer at about 8.5%; Bufferin at 7.3%; Excedrin between 7% and 8%; Anacin at 12.3%, and Tylenol on top with nearly 31%.

Sterling's response to the competition is clear in both advertising strategy and new product development. The company continues its campaign against nonaspirin pain relievers in comparative ads, one of which lists unpleasant side effects of acetaminophen products.

Meanwhile, Federal Trade Commission recommendations issued early last year would demand closer scrutiny of such ad claims and tactics. The controversy was revived in November, 1981, when Johnson & Johnson's McNeil Consumer Products Co., marketer of Tylenol, sued Sterling for claiming in advertising that regular Bayer aspirin is just as effective in relieving headache pain. Sterling then retaliated with a countersuit.

In other competitive moves, Sterling's Glenbrook Labs in January introduced a new Bayer aspirin tablet touted for its thin, smooth coating. Ad copy described it as "easy-to-swallow aspirin."

Ad expenditures for Bayer aspirin and Bayer for children were down from $23.4 million in 1980 to $22.4 million in measured media totals. Network tv, magazines and network radio received the major portions of the budget.

In the competitive $1 billion cough and cold remedy market, Sterling has tried to make inroads with its Remedex line of liquid medicine and capsules. Marketed by Glenbrook, the brands received $724,500 in measured media spending last year, primarily in spot tv. The market, which grows at 1% to 2% annually at best, should continue to favor multisymptom items such as the highly successful Comtrex remedy from Bristol-Myers or Contac severe cold formula from SmithKline.

In other product categories from Glenbrook Labs, Midol received $4.5 million in measured media spending, up slightly from $4.4 million in 1980. Phillips Milk of Magnesia liquid and tablets, combined, were supported by $3.3 million in spending, mostly on network tv, while Diaparene baby powder received $1.6 million.

Sterling's Lehn & Fink products group accounts for nearly all of the company's domestic business in household products, cosmetics and toiletries. Sales increased 8.1%, from $362.4 million in 1980 to $391.7 million in 1981.

Operating profits increased from $56.5 million to $66.3 million, a 17.4% gain that the company attributed to a groupwide containment program.

Measured media allocations for Lysol products were reduced from $19.2 million to $17.6 million last year, following cuts of almost equal size the previous year.

Lysol spray disinfectant received roughly half of the overall budget, with spending of $8.7 million allocated to mostly network tv. Lysol liquid deodorizing cleaner was next with $4.2 million in ad support, an increase over both 1979 and 1980 levels. Lysol basin/tub/tile cleaner was backed with $2.1 million in network tv, spot tv and magazine ads.

In the moist towelette business, Lehn & Fink's Diaparene disposable baby wash received $168,400 in magazine ad support, while Wet Ones towelettes for baby garnered $768,300, primarily in network tv. A $2.5 million multimedia drive for the new Diaparene line of Cushies extra-thick towelettes broke in March of this year.

The adult market for wet tissues has proved to be a tough sell; American Can abandoned its Fresh'n when test marketing turned up little interest in the product. Lehn & Fink's Wet Ones for adults, packaged in pop-up containers, were supported by $148,700 in measured media in 1981, the year in which Cederroth A.B. of Sweden announced the U.S. introduction of its brand of wet anal tissue.

Lehn & Fink's Bowl Power in tank toilet bowl cleaner received $1.9 million in network and spot tv ad support last year. The product was introduced in 1980 amid fierce disputes over calcium hypochlorite, a chemical ingredient reputed to corrode plumbing fixtures. Lehn & Fink subsequently ran ads denouncing the publicity, and was joined by a number of competitors in public denial of the claims made against the chemical agent.

The Love My Carpet rug and room deodorizer line, in its original fragrance and two additional scents, was backed with $2.6 million in measured media totals last year, down substantially from the nearly $5 million total registered in 1980. Perk liquid floor finish received a hefty $5 million, primarily in network tv. Mop & Glo floor shine cleaner saw ad spending cut from $2 million to $1 million, while Minwax wood finish products gained national distribution and received a $1.3 million budget.

The d-Con line of rodenticides and insecticides were top performers among household products, led by such brands as Flea Stop, introduced at the beginning of 1981, and Four/Gone aerosol insecticide, still dominant in its category. Advertising for Four/Gone, however, was slashed from $2 million in 1980 to $1.7 million in 1981. D-Con roach traps again had measured media slashed, from just under $500,000 in 1980 to $177,500.

Lehn & Fink's cosmetics division put the greatest share of advertising behind Ogilvie home hair products, which accounted for $1.7 million in measured media spending. Ogilvie's Whisper Wave nonammonia permanent, which debuted last year, received $149,200 in magazine support. Earlier this year, Ogilvie introduced its Heavenly Body protein shampoos and conditioners, slated for a print advertising campaign. Dorothy Gray skin treatment products were backed with $638,800 in magazine advertising, a substantial increase over 1980 levels of $250,000. A five-product Hydro Light skincare line, launched last summer, received $421,000 of the total.

The Stri-Dex product group, facing increasing competition from acne remedies such as Clearsil, Norcliff-Thayer's Oxy line and Noxell Corp.'s Noxzema 12-hour acne treatment, operated on $1.4 million in ad spending last year, up slightly from $1.3 million in 1980. Stri-Dex pads received $971,600 in spot tv, up from $699,000 in 1980. The product holds the No. 1 position in its category, but will have to contend with Commerce Drug's new Propa PH pad with 10% benzoil peroxide, introduced last year.

Winthrop Labs' consumer division invested $4.3 million in ad support for Neo-Synephrine nasal sprays and capsules; $2.8 million for Campho-Phenique antiseptics, and $1.3 million for pHisoDerm skin cleaner, which is targeted mainly at teen age audiences via network radio.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$862,800	$452,800
Magazines	12,361,700	11,619,700
Farm publications	—	172,200
Spot tv	9,027,400	5,439,600
Network tv	56,410,700	57,406,800
Spot radio	754,200	1,625,800
Network radio	4,321,500	6,699,700
Outdoor	28,900	99,800
Total measured	83,787,400	83,517,400
Unmeasured	6,912,600	5,082,600
Estimated total	90,700,000	88,600,000

GLENBROOK LABORATORIES DIVISION

MARKETING PERSONNEL

James Alberts, vp-adv director
F.M. Fox, vp-mktg director
G.P. Mattimore, group mktg director
J.C. Marshall, mkt research director
Product mgrs: P.H. Kalikstein, Bayer adult aspirin; R.A. Perlman, Bayer children's line, Stridex; M.R. Guarini, Phillip's line; K.J. Sims, Bayer children's aspirin; K.E. Messer, Midol, Cope, Vanquish; S. Johnson, Diaparene line; G.R. Whitcomb, new prods; H.J. Muessen, new prods; A.M. Kidder, new prods

ADVERTISING AGENCIES

SSC&B, New York—Bayer line—Spencer Plavoukos, acct super.

Thompson-Koch Co., New York—Midol—Richard Hartman, acct super.

Cunningham & Walsh, New York—Phillips' line—Jim Polizzi, mgmt super; Hank Malfa, exec vp.

Creamer Inc., New York—Diaparene line—Gib Dannehower, mgmt super.

Warwick Advertising, New York—Stridex—Wilder D. Baker, pres-mgmt super; Bradford Moses, vp-acct super; Alan Goldberg, acct exec

Dugan/Farley Communications Associates, Montvale, N.J.—medical communications—John P. Dugan, president

LEHN & FINK PRODUCTS GROUP

MARKETING PERSONNEL

Earle K. Borman, senior vp

Cosmetics Division

Herb Waller, president
Peter Stearns, vp-mktg
Dean Reeves, natl sales mgr

Parfums Givenchy Division

David Chinn Jr., exec vp and genl mgr
James E. Smith, mktg director

Consumer Products Division

Frank E. Rumpeltin Jr., president
Leonard Suskin, vp-mktg
Albert Cramer, vp-sales

Industrial Products Division

S. Ray Mitchell, president
Thomas A. Cottone, vp-mktg director
William A. Milliron, vp-sales

Miniwax Co.

Donald H. Henderson, president
Ridgely W. Harrison III, vp-sales, Minwax
Paul R. Righter, vp-construction prods div

d-Con Co.

Earle K. Borman, president
John J. McFadden, vp-sales director
Neil Nix, vp-director, business development
Marvin Matises, director-mktg and household prods
John Caputo, prod line mgr, rodenticides
Semo Sennas, senior prod mgr, insecticides
Michael Ivancich, prod mgr, new prods

ADVERTISING AGENCIES

SSC&B, New York—Lysol prods, Love My Carpet, Beacon Wax, Mop & Glo, Wet Ones—Alan Grazio, exec vp; Michael Meyer, senior vp-mgmt super; Jeff Tarakajian, acct super; Hal Henenson, acct super.

Warren, Muller, Dolobowsky, New York—Dorothy Gray, Tussy, Ogilvie—John Andes, vp-mgmt super; Pat Kidd,

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Emery A.M. can make your tough job a lot easier.
Instead of having to call different shipping companies for shipping different sizes, you can make one call to Emery to deliver them all.
Big shipments, small envelopes, or in-between packages. Emery A.M. takes virtually any size from ounces to tons and schedules delivery to most of America the very next morning.
It's a great service, and only one company can deliver it. Emery.
Because when you've got a tough job and you want to make it easier, what you need is an edge.

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Take us up on it

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acct exec.

Levine, Huntley, Schmidt, Plapler & Beaver, New York—Parfums Givenchy—Leslie Marshall, acct super.

Gilbert, Whitney & Johns, Morristown, N.J.—Minwax consumer and industrial prods—John Mimnaugh, exec vp.

Thompson-Koch Co., New York—d-Con line, Rid-X septic tank conditioner, Energine line, House & Garden bug killer, Stay-Away outdoor fogger, Warpath powder spray, Ant/Roach killer, Ant-Prufe, Four/Gone (indoor fogger), wasp and hornet killer, Double Power, Roach Traps—E.J. Eberie, acct super; John Klapmuts, Joshua Martin, acct execs.

BREON LABORATORIES

MARKETING PERSONNEL

William H. Marsden, vp-mktg director
Herbert E. Smith, genl sales mgr
Joyce Hecht, prod mgr
Michael P. Trepicchio, group prod mgr
Maryann McKenzie, prod mgr

ADVERTISING AGENCY

Frank J. Corbett Inc., division of BBDO, Chicago—all ethical products—F.J. Corbett, mgmt super; John M. Alderman, acct super.

WINTHROP LABORATORIES

New York

MARKETING PERSONNEL

Joseph Scarlata, vp-sales
Karl A. Brautigam Jr., vp-mktg/sales consumer div
Martin M. Coyne, group prod mgr, ethical
Neil Sheridan, group prod mgr, consumer prods

ADVERTISING AGENCIES

Lavey/Wolff/Swift, New York—Neg-Gram, Danocrine, Demerol, pHisoHex, Hypaque, Telepaque, Bilopaque, Amipaque—Charles Rockefeller, senior vp.

Frank J. Corbett Inc., division of BBDO, Chicago—Talwin, Talwin Compound—James Miller, acct super; Jack Fisher, mgmt super.

Cunningham & Walsh, New York—Neo-Synephrine, NTZ, Neo-Synephrine 12-hour, Haley's MO, Bronkaid tablets and mist, Caroid laxative, pHisoDerm prods—Bob Bridge, acct super; M. Anastas, group super; Robert Moore, acct exec.

Thompson-Koch Co., New York—Campho-Phenique—Richard Hartman, vp-acct super; Tino Alimo, acct exec.

WINTHROP VETERINARY

MARKETING PERSONNEL

Harold H. Torkelson, director-sales mktg
H. Dwight Koger, prod mgr

ADVERTISING AGENCY

Sawyer Advertising, Gainesville, Ga.—veterinary pharmaceuticals and disinfectants—Louis Sawyer, acct exec; Richard Riley, acct super.

STERWIN LABORATORIES

MARKETING PERSONNEL

Jack Salyers, vp-mktg

ADVERTISING AGENCY

Sawyer Advertising, Gainesville, Ga.—Poultry biologics, other animal health prods—Louis Sawyer, acct exec; Richard Riley, acct super.

COOK-WAITE LABORATORIES

MARKETING PERSONNEL

Wayne J. Byers, president
Richard H. Williams, field sales mgr
W. McKinney Dean Jr., D.D.S., vp-dental director
Robert C. Kibele, vp-genl mgr, Greene Dental prods, San Fernando, Cal. (C-W subsidiary).

ADVERTISING AGENCY

Rolf Werner Rosenthal Inc., New York—Carbocaine, Carbocaine with Neo-Cobefin, other local anesthetic solutions, Carpule aspirator syringe, Greene Trans-View and Dare-View X-ray film mounts, Greene filmholders, record cards—Robert P. Smith, vp-acct group super; Fran Scheinberg, acct exec.

Time Inc.

	1981	1980
Sales.........	$3,296,382,000	$2,800,013
Earnings.....	148,821,000	141,203,000
Advertising*.	141,133,000	139,430,000**

*AA estimate
**Restated

Time Inc., New York, the 43rd largest national advertiser, increased its advertising expenditures in 1981 by 1% over 1980 to $141.1 million, excluding the publishing of direct mail promotion or pro rata costs of advertising within its own magazines. The 1980 figure of $139.4 million was restated to reflect discontinued operations, namely Time-Life Films and the *Washington Star*.

In 1981, Time Inc. had revenues of $3.30 billion, an increase of 18%, while net earnings totaled $148.9 million, up 5.4% over 1980.

In the first half of 1982, Time reported income from continuing operations of $74.7 million, compared with $92.6 million reported in the first six months of 1981.

Revenues were $1.7 billion for the first half of 1982, against $1.6 billion a year ago.

Magazines, paper operations and the increasingly important video group continue to contribute the lion's share of the company's earnings. Last year, for the first time, video passed publishing as a source of company profits and is expected to further increase that lead at the end of 1982.

One of the few disappointments last year was the performance of Time-Life Books, as it continued to show depressed earnings. There has been industry speculation that the Time-

Build with us.

Life Books might be discontinued—following a pattern that Time Inc. started with its folding of the money-losing Time-Life Films and the *Washington Star* last year—but company executives deny that such a move is contemplated.

Time has been both aggressive and successful in the cable tv industry. Its American Television & Communications Corp. (ATC) subsidiary is one of the country's largest cable operators, with nearly 2 million basic subscribers in 127 cable systems in 33 states. Its Home Box Office business continues to grow as well, with the number of HBO subscribers expected to reach 10 million by the 1982 third quarter. Cinemax, HBO's sister service, is reaching 1.5 million subscribers in its first year and a half.

The company's magazines—*Time, Life, Fortune, Sports Illustrated, Money, People* and *Discover*—had revenues of $870 million in 1981, with $524 million in net ad revenues, 18% ahead of 1980. Operating profits jumped 81% to a record $102 million from $56.5 million. The increase was attributed to the 18% gain in ad revenue—which came from both price and volume increases—and a 14% rise in circulation revenues.

The Books Group, which includes Little, Brown & Co; Time-Life Books and Book-of-the-Month Club, reported revenues of $518.6 million in 1981, a 4% increase over 1980. But earnings fell by 47.6% to $21.1 million.

The forest products business brought in $1.16 billion last year and a profit of $106.8 million. The forest group's major division was Inland Container Corp., whose revenues increased by 13% to a record $657 million, while its profits were up 4.7% to a record $56 million. The Temple-Eastex building products division, however, continued to be depressed in 1981. Temple-Eastex' pulp and paperboard division, on the other hand, achieved revenues of $295 million, up 12%, and profits of $48 million, up 26%. Temple, in marketing wood building materials, showed a profit of $3 million on revenues of $210 million, an improvement from its loss of $4 million in 1980.

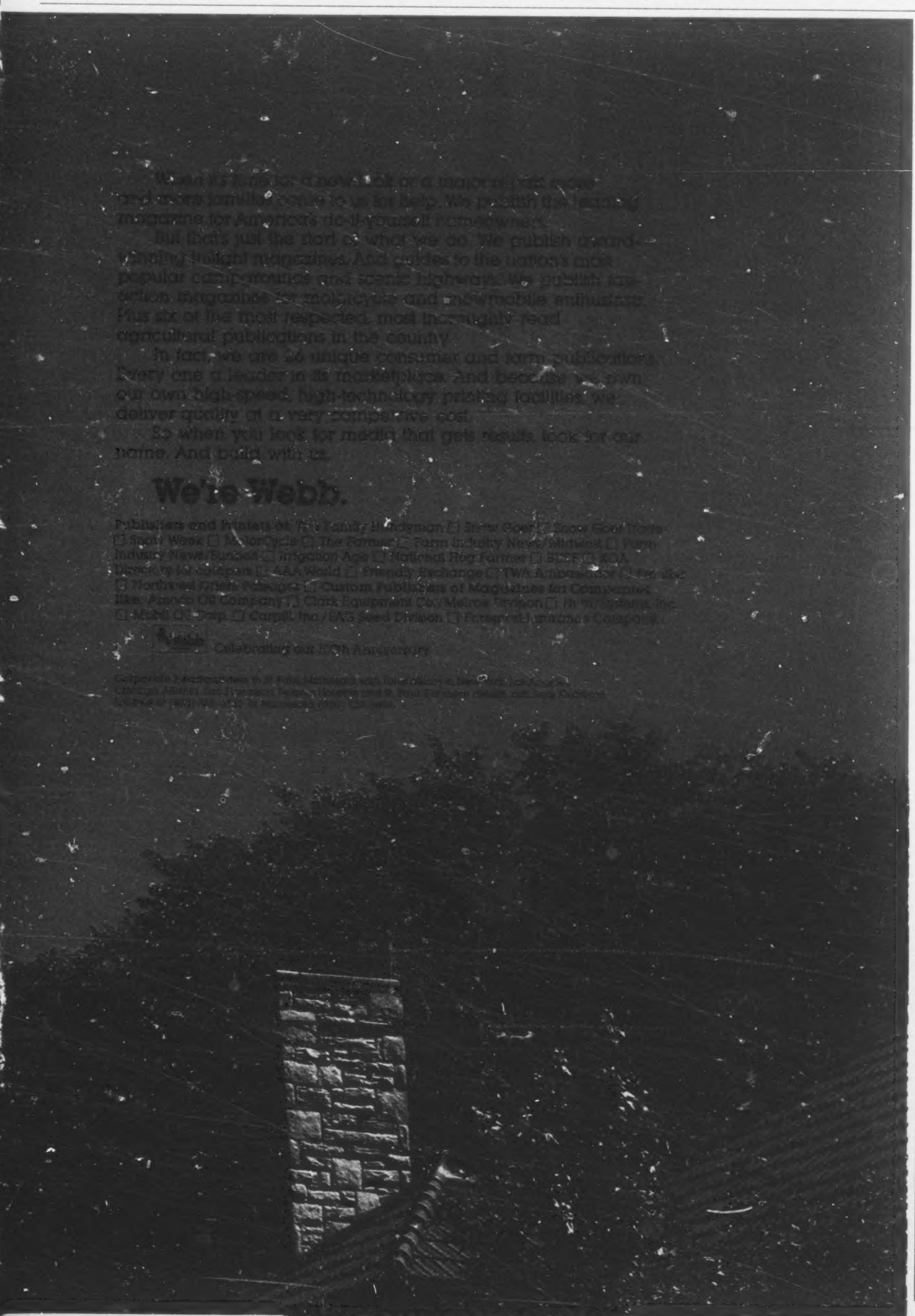
Time's Selling-Areas Marketing Inc. (SAMI), a marketing data subsidiary, reported a 16% revenue gain last year, a record. SAMI provides grocery product marketers with data on the movement of their products from warehouses to retail outlets. SAMI added three new markets to its basic reporting system in 1981, bringing the total number to 42. These markets represent nearly 80% of all U.S. foodstore sales. SAMI also provides its clients with information on product availability within each market through a companion service: SAMI Retail Distribution Index.

While most of Time Inc.'s performance figures were up, its measured media spending—exclusive of newspapers—was down, as the company spent $77.3 million in 1981, down 11% from the $86.8 million invested in 1980, according to Leading National Advertisers. The cuts came in spot tv, network tv, spot radio and network radio. The largest chunk—$36.5 million—of the spending was put into magazines, continuing a pattern the company set in 1980, when magazines replaced spot tv as the recipient of the greater share of Time Inc.'s advertising dollars. Spot tv wasn't far behind, however, as it accounted for $30 million of spending.

Network tv's piece of the advertising pie decreased in 1980 to $6.9 million from $8.8 million the year before. Network radio picked up $181,000 from Time Inc.—a decrease from 1980's $704,400—and outdoor advertising buying accounted for $143,000 of the company's total, a large jump from the $34,200 spent in 1980.

In 1981, Time's magazines accounted for 26% of the company's revenues, the same share they contributed the year before, and approximately 34% of operating profit.

Time, which was for the 12th straight year the leading magazine in worldwide revenues, also took over the No. 1 spot in advertising revenues for U.S. magazines in 1981, displacing *TV*



When it's time for a new look or a major [illegible] more and more families come to us for help. We publish the leading magazine for America's do-it-yourself homeowners.

But that's just the start of what we do. We publish award-winning inflight magazines. And guides to the nation's most popular campgrounds and scenic highways. We publish fun-action magazines for motorcycle and snowmobile enthusiasts. Plus six of the most respected, most thoroughly read agricultural publications in the country.

In fact, we are 26 unique consumer and farm publications. Every one a leader in its marketplace. And because we own our own high-speed, high-technology printing facilities, we deliver quality at a very competitive cost.

So when you look for media that gets results, look for our name. And build with us.

We're Webb.

Publishers and Printers of: The Family Handyman ☐ Snow Goer ☐ Snow Goer Trade ☐ Snow Week ☐ MotorCycle ☐ The Farmer ☐ Farm Industry News/Midwest ☐ Farm Industry News/Sunbelt ☐ Irrigation Age ☐ National Hog Farmer ☐ BEEF ☐ KOA Directory for Campers ☐ AAA World ☐ Friendly Exchange ☐ TWA Ambassador ☐ [illegible] ☐ Northwest Orient Passages ☐ Custom Publishers of Magazines for Companies like: Amoco Oil Company ☐ Clark Equipment Co./Melroe Division ☐ [illegible] Systems, Inc. ☐ Mobil Oil Corp. ☐ Cargill, Inc./PAG Seed Division ☐ Farmers [illegible] Company.

Webb Celebrating our 100th Anniversary

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Guide. Last year, the company's flagship weekly pulled in a record $340.8 million in ad revenues, including $253.4 million in U.S. revenues. It carried 2,908 U.S. ad pages last year.

Time lifted its domestic rate base to 4.4 million from 4.25 million last year and the international edition was raised to 1.29 million from 1.27 million. The subscription price for the domestic edition was also raised —to $40 from $35 a year. Its advertising budget of $8 million went to spot tv ($5.7 million), magazines ($955,000), newspaper supplements ($947,000) and network tv ($379,000).

Sports Illustrated continued to set advertising and circulation records, and its ad revenues of $154 million were good enough to rank it fourth among all domestic magazines last year. Ad pages increased to 2,885 from 2,647. *SI* invested almost all—$7.6 million—of its total $8.5 million ad spending in spot tv last year. The rest was doled out as follows: $792,000 for magazines, $51,000 for newspaper supplements and $9,000 for network tv. As for *SI* offshoots: *SI* Books spent $400,000, *SI* calendars spent $190,000, *SI* games spent $380,000 and *SI* mail order promotion spent $637,000—all on magazines.

People joined *Time* and *Sports Illustrated* in the top five magazine rankings last year, bringing in $136 million in ad revenues. Ad pages increased to 3,604 from 3,431. The predominantly newsstand and checkout seller raised its rate base twice in the last year and is now at $2.4 million. The cover price was raised to $1 from 95 cents this past March. The weekly magazine solidified its position as the No. 1 ad spender among the company's magazines, as it shelled out $10.1 million last year. Most of that went to spot tv—$6.9 million. The rest of the spending was as follows: $3 million for network tv, $116,000 for network radio, $35,000 for newspaper supplements and $15,000 for magazines.

Fortune had its best year ever in 1981, the company said. Now in its fourth year as a fortnightly, the business magazine maintained its 670,000 rate base. *Fortune* took in $70.4 million in ad revenues from 2,738 ad pages last year. The magazine raised its subscription rate to $33 from $30 last July. Time allotted $1.5 million for *Fortune* advertising last year, broken down in this way: $1.4 million for spot tv and $142,000 for magazines. *Fortune* spinoffs—a book club, games and a mail order promotion—received $293,000, $7,500 and $10,600, respectively, to buy magazine space.

Money continued to set impressive records. Ad revenues jumped by 48% last year to $23 million, while ad pages increased to 1,180 from 968. *Money* increased its subscription rate to $21.95 from $19.95 in July of last year. The rate base is now 950,000, a gain of 125,000 since February, 1981, with Time Inc. executives predicting the magazine will soon shoot over the 1 million mark. Newsstand sales for the $2 cover-price magazine jumped by 32% last year, making it the fastest growing title in the Time Inc. stable. *Money* spent $789,000 on advertising last year, all of it in spot tv.

Life had ad revenues of $23.2 million in 1981, up 20%, and 713 ad pages, an increase from 1980's 661 pages. Last year, the subscription rate went to $19.95 from $18, while the cover price remained at $2. *Life* spent $1.1 million on measured advertising last year: $386,000 for spot tv, $316,000 for newspaper supplements and $378,000 for network tv.

The latest edition to the lineup of Time's magazines, *Discover*, debuted in October, 1980, and has since become the largest magazine in the fast-growing science field. Its rate base has grown to 835,000 from its original 400,000. Last year, the monthly brought in $5.3 million in ad revenues on 377 pages. Its subscription price was increased to $20 from $18, while its cover price stayed at $2. Of the $1.2 million spent on advertising, $1.1 million went to spot tv and $43,000 was spent on magazines.

Some of the biggest interest in the magazine division last year was created not by what the existing publications did, but what a proposed new magazine may or may not do. Time Inc. is closely studying the prospects for a weekly cable tv magazine that would be *Time*-size and system-specific in its listings. If it is pulled off—and industry executives agree that the process would be a tough one—the project could be one of the largest magazine launchings in history.

Time's video group, the fastest-growing division at the company, had revenues of $618 million last year, more than a fourfold increase over the 1980 total of $128 million. Operating profits were up 68% to $123 million. The group includes Home Box Office, American Television & Communications Corp. and one-third interest in USA Network, an ad-supported programer. HBO had 8.5 million subscribers at the close of 1981 and is expected to have well over 10 million by the end of 1982's third quarter. HBO is now offered in more than 3,600 cable systems, and Time Inc. executives say that it is experiencing its lowest level of disconnects since the network went national, a situation they attribute in part to the HBO's decision last January to move to 24-hour programming.

Meanwhile Cinemax, launched two years ago, has 1.5 million subscribers, and ATC is expected to soon pass the 2 million mark in basic subscribers.

HBO spent $6.2 million advertising its pay channel last year as follows: $2.4 million in spot tv, $2.4 million in magazines, $1.2 million in network tv and $139,000 on outdoor. Combined advertising for the HBO and Cinemax cable networks totaled $320,000 last year, almost all of it in magazines. ATC ad spending totaled $17,000, all of it in magazines.

At the company's other divisions, the Book-of-the-Month Club, a wholly owned subsidiary, had its best year in 1981, racking up record revenues and net income. BOMC spent $3.9 million on advertising last year in this way: $3.1 million in magazines, $494,000 in network tv, $256,000 in newspaper supplements and $16,500 in spot tv.

Time-Life Books, which had a disappointing performance in 1981, spent $21.7 million on advertising, of which $15.7 million went to magazines, $3.2 million to spot tv, $2 million to newspaper supplements and $895,000 to network tv.

The wholly owned trade publishing house, Little, Brown & Co. posted record earnings and revenues in 1981 and spent $2.5 million on advertising during that period, all of it in magazines.

Time's suburban newspaper interest, Pioneer Press, had another record revenue year in 1981. The division publishes 30 community newspapers and a quarterly magazine, *Q*.

Among the high level personnel changes at Time Inc. last year were: Christopher Meigher to director of circulation; Larry Crutcher to vp-magazines; Carlyle Daniel to president of SAMI; Richard Stolley to managing editor of *Life*; Pat Ryan to managing editor of *People*, the first woman managing editor at Time in many years; Dave Roberts to circulation promotion director; William Kelly to publisher of *Money*; Richard Thomas to worldwide ad sales director of *Time*; Dan Zucchi to publishing director of the cable magazine project and Trygve Myhren as chairman of ATC and Joe Collins as president.

A $3 million love affair ?
Meet Hazzard's two new Dukes
A man's guide to what women want
Led Zep's Robert Plant
AUGUST 9, 1982 • $1.00
People weekly
Hollywood Kids What's In; what's Out; and what can go wrong
One successful family: Three's Company's John Ritter, with wife Nancy Morgan, Jason, 2, and Carly, 5 months

People *ranks among the top five magazines in ad revenues.*

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$17,825,300	$10,901,200
Magazines	36,455,200	35,611,800
Spot tv	30,025,200	30,380,700
Network tv	6,850,600	8,791,600
Spot radio	55,800	349,600
Network radio	181,000	704,400
Outdoor	143,000	34,200
Total measured	91,536,100	86,773,500
Unmeasured	49,596,900	52,566,500
Estimated total	141,133,000	139,340,000

TIME INC.
MARKETING PERSONNEL

Corporate Circulation

Christopher Meigher III, director
David Roberts, promo director

Time

John A. Meyers, vp-publisher
Richard B. Thomas, assoc publisher and worldwide adv sales director
Robert D. Sweeney, promotion/public affairs director
Richard W. Angle Jr., circulation director
Eric G. Thorkilsen, *Time International* circulation director

People

Richard J. Durrell, vp-publisher
Robert B. Kyle Jr., promo director
Michael J. Owen, circulation director

Fortune

Edward Patrick Lenahan, vp-publisher
James B. Hoefer, assoc publisher-adv sales director
Elizabeth P. Valk, circulation director
Walter J. Joyce, promo director

Discover

Reginald K. Brack, publisher
R. Timothy Leedy, adv sales director
George P. Berger, promo director
Michael J. Klingensmith, circulation director

Money

William M. Kelly Jr., publisher
James B. Hayes, adv sales director
Gil Kisch, promo director
Ann S. Moore, circulation director

Life

Charles Whittingham, publisher
Charles Rubens II, adv sales director
Gilbert Lesser, promo director
H. McLean Smith, circulation director

Sports Illustrated

Philip G. Howlett, publisher
Harry C. Rubicam, promo director
Robert D. McCoach, circulation director

Time-Life Books

J. Steven Maxwell, exec vp-North American sales
Peter Barnes, North American sales director

Time-Life Video

Dorothy Dunbar, adv and promo director

Temple-Eastex

Joe K. Sample, vp-mktg (building prods)
Russ Chase, vp-sales (pulp and paperboard)
Alan Miller, director, public affairs

Book-of-the-Month Club

Edward E. Fitzgerald, chairman, ceo
Al Silverman, president, coo
Lewis M. Smith Jr., senior vp-mktg director

Selling-Areas Marketing Inc.

Carlyle C. Daniel, president
David M. Gager, vp-sales
Alan B. Miller, vp-sales service

Home Box Office

Winston H. Cox, exec vp-operations
J. Robert Bedell, vp-mktg & pr
Matthew Blank, vp-mktg, Cinemax and mkt devel

Little, Brown & Co.

Jess M. Brallier, mktg mgr, trade div
William A. Guthrie, adv-publicity director, trade div
Timothy C. Robinson, genl mgr, law div
Joel Baron, mktg mgr, medical div
Janet Carlson, mktg mgr, college div

American Television & Communications Corp.

Gary Bryson, vp-mktg
Richard B. Holcomb, vp-public affairs

Preview STV

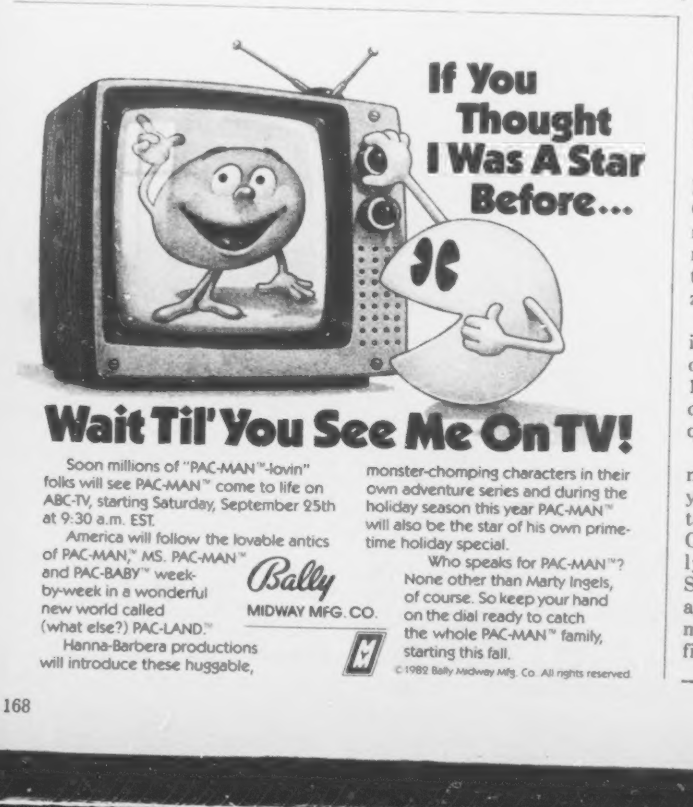
Nathan W. Garner, president

ADVERTISING AGENCIES

Young & Rubicam, New York—*Discover* (ad promotion)—James Tyrell, acct super; Duncan Pollock, acct exec; *Discover* (circulation promotion)—James Tyrell, mgmt super; Tom Spangenberg, acct super; Terry Pranses, acct exec; *Fortune* (ad promotion)—Bob Fane, acct super; Robert Boucher, acct exec; *Time* (circulation promotion)—Tom Spangenberg, mgmt super; Terry Pranses, acct exec; *Time* (ad promotion)—James Tyrell, acct super; Duncan Pollock, acct super.

Wunderman, Ricotta & Kline—*Discover* (circulation promotion)—Steve Dapper, mgmt super; Adrienne Wax, acct super; Alan Schulman, acct exec; *Fortune* (circulation promotion)—Debra Brown, acct super; Michael Darling, acct exec; *Money* (circulation promotion)—Steve Dapper, mgmt super; Adrienne Wax, acct super; Lisa Levine, acct exec; *Sports Illustrated* (circulation promotion)—Adrienne Wax, acct super; Alan Schulman, acct exec; *Time* (circulation promotion)—John Stevenson, mgmt super; Debra Brown, acct exec; Book-of-the-Month Club—Harriet Ballard, acct super; Virginia Laura, acct exec; Time-Life Books—Worth Linen, mgmt super; Michele Jehle, acct super; Ralph Siegler, mgmt super.

Ally & Gargano, New York—*Time* (cir-


If You Thought I Was A Star Before...

Wait Til' You See Me On TV!

Soon millions of "PAC-MAN™-lovin" folks will see PAC-MAN™ come to life on ABC-TV, starting Saturday, September 25th at 9:30 a.m. EST.

America will follow the lovable antics of PAC-MAN,™ MS. PAC-MAN™ and PAC-BABY™ week-by-week in a wonderful new world called (what else?) PAC-LAND.™

Hanna-Barbera productions will introduce these huggable, monster-chomping characters in their own adventure series and during the holiday season this year PAC-MAN™ will also be the star of his own prime-time holiday special.

Who speaks for PAC-MAN™? None other than Marty Ingels, of course. So keep your hand on the dial ready to catch the whole PAC-MAN™ family, starting this fall.

Bally
MIDWAY MFG. CO.

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culation promotion)—Thomas Feeney, mgmt super; James Cashion, acct exec.

N W Ayer/Ayer Direct, New York—Time-Life Books—Michael Seymour, mgmt super.

Ted Bates Advertising, New York—Home Box Office—Brian Gail, senior vp-mgmt rep; Ellen Feldberg, vp-acct super.

Caldwell Van Riper, Indianapolis—Inland Container Corp.— Frank J. Wemhoff, president.

Creamer Inc., New York—SAMI—Harvey Dreyer, acct super.

A. Eicoff & Co., Chicago—Time-Life Books—Ron Bliwas, president-mgmt super.

Eicoff & Lennard, New York—Time-Life Books—Marty Grossman, vp-acct super.

John Emmerling Inc., New York—*Money* (ad promotion)—Jim Guthrie, acct super.

Geer DuBois, New York—*Life* (ad promotion)—Doria Steedman, acct super; Rita Gaves, acct exec; *Life* (circulation promotion)—John Allen, acct super; Time-Life Video—John Allen, acct super.

Holland & Callaway—*People* (circulation promotion)—Ron Holland, vp-acct super; Jim Callaway, pres-acct exec.

Ingalls Associates, Boston—Preview—Jim Casey, acct super; Carol Wright, acct super; Meredith Levy, acct exec.

Kopycinski & Associates, Lufkin, Tex.—Temple-Eastex Inc.—Vic Kopycinski, acct exec.

Lord, Geller, Federico, Einstein, New York—Book-of-the-Month Club—Albert J. Berger, mgmt super; Judith Ehrlich, acct super.

Ogilvy & Mather Partners, New York—*Sports Illustrated* (ad promotion)—Joe Davis, acct super; Peter Walsh, acct exec.

Richards Group, Dallas—*Sports Illustrated* (circulation promotion)—Bill Bergman, acct super; Danny Green, acct exec; *Time* circulation promotion—Bill Bergman, mgmt super; Terry Kafka, acct exec.

Ritchie, Hopson & Associates, Houston—Temple-Eastex Inc.—Bill Hopson, acct exec.

Franklin Spier Inc., New York (trade division)—Little, Brown—Kenneth Atkatz, acct exec.

Tracy-Locke, Denver—American Television & Communications Corp.—Terry Coke-Kerr, acct exec.

Toyota Motor Sales

	1981	1980
Sales*	$17,014,984,000	$15,840,384,000
Earnings*	146,428,000	162,631,000
Advertising**	106,186,700	87,628,000

*Worldwide; 1980 figures restated; fiscal year ending June 30

**AA estimate

Toyota Motor Sales, Torrance, Cal., the 51st leading national advertiser, is estimated to have increased advertising 21.2% in 1981 to $106.2 million from $87.6 million in 1980.

The sole stockholder in the company is Toyota Motor Corp., a new corporate entity formed on July 1, 1982, with the merger of Toyota Motor Co. and Toyota Motor Sales Ltd. of Japan.

Toyota Motor Sales Ltd. reported worldwide sales of $17.01 billion in 1981, an increase of more than $1.17 billion, or 7.4% over 1980; however, Toyota attributed a 10% decline in net income to the vagaries of the yen and a less favorable foreign exchange position than in 1980, as well as depressed domestic sales.

In the U.S., which accounts for 30% of the company's exports, Toyota maintained its position in 1981 as the best-selling import car and truck.

The Japanese auto maker continued the sales pace set six years ago when it overtook Nissan's Datsun import for the No. 1 spot. Toyota sold 714,020 units in 1981—576,491 cars and 137,529 trucks—to put its share of the import car market at 24.4%.

The company ranks second in worldwide production of motor vehicles, behind General Motors and followed by Nissan and Ford. Toyota's share of the total U.S. market is 6.7%.

The Corolla again was Toyota's sales leader in 1981, accounting for more than 40% of the company's U.S. sales volume. First introduced in 1966, the Corolla has gained wide acceptance among drivers both in Japan and overseas. In 1979, it became the first Japanese automobile to exceed the 7-million-unit mark in aggregate model production, and for four years in a row, starting from 1974, it held the record as the world's top production model, a position it regained in 1980 and maintained in 1981.

In 1981, the Corolla received $17.3 million in measured media support, including $2.9 million in magazines, $7.4 million in network tv and $3.9 million in spot tv. As with Toyota's other lines, the Corolla was advertised under the theme line, "Oh! What a feeling."

Promotion of Toyota's small, fuel-efficient pickup trucks received heavy emphasis last fall, with the company spending close to 10% of its total media budget on the truck lines, a 10% boost over 1981 spending. Among measured media, the company put more than $20.8 million behind the trucks, most of it going to spot tv. That amount was the most the company used to support any of its various lines in 1981.

Meanwhile, as competition in the import truck market began to build, Toyota quietly introduced its own sub-$6,000 truck to meet similar entries by Nissan and Mazda, but by mid-1982 sales were 5% behind last year.

Another line receiving heavy support was Celica, which includes, among others, the 2.8-liter, six cylinder Celica Supra, with models priced between $13,598 and $14,598. The Supra is the top of the Toyota line, followed by the luxury Cressida at $12,699 and the Corona models in the $7,549 to $9,199 price range.

The Supra and the high-performance Celica models, priced from $7,159 to $6,829, were featured in major enthusiast magazines at introduction time with a six-page gatefold devoted to the Supra, starting on the inside front cover, and a two-page Celica spread on the inside back cover.

All of the various Celica models received more than $12.1 million in measured media support in 1981, including $3.1 million to magazines, $5.9 million to network tv and $2.9 million to spot tv.

The remainder of the Toyota line for model year 1982—the front-wheel-drive Corolla Tercel ($4,998 to $6,428), Starlet ($5,578) and Corolla models ($5,448 to $7,128)—were featured in ads that stressed traditional product benefits with a blend of humorous situations and scenes that showed the vehicles in action.

To help introduce the 1982 model line Toyota picked up sponsorship of international professional women's tennis circuit events into the current year, replacing Colgate-Palmolive Co., which had supported the circuit since 1977. Toyota's agreement with the International Tennis Federation and the Women's Tennis Assn. includes an option for 1983.

Covered are 40 events in 13 countries, including Wimbledon, U.S. Open and Clay Court championships. The company put up $900,000 in prize money for these events, as well as $250,000 for sponsorship of the "Toyota Series Championship" in December.

Elsewhere, in a display of commercial dominance for "Super Week on ABC," Toyota was featured in every ABC network prime time position over a four-night period last year. The effort dominated coverage of Toyota's target audience (young adults) and provided high degrees of frequency and impact at a time when no similarly targeted tv specials were available.

A highlight of Toyota's 1982 model season was increased use of pro football broadcasts. The company ran ads during all National Football League games telecast on CBS-TV, including the championship playoffs and the Super Bowl.

The past year also saw Toyota and Ford Motor Co. table plans for the joint production of a car they could produce in the U.S. But in the first half of 1982, General Motors and Toyota began discussing similar possibilities for building a small car at one of GM's idle U.S. assembly plants, perhaps a front-wheel version of the subcompact Corolla.

Toyota's new $50-million headquarters facility in Torrance, begun in 1980, is expected to be ready for occupancy in October. A new regional headquarters and parts depot opened in Cincinnati during the past year, and a similar complex is scheduled to open soon in the San Francisco area. These recent projects represent a capital improvements program totaling more than $80 million.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$11,229,100	$7,023,300
Magazines	10,100,500	6,994,300
Spot tv	38,616,400	33,035,600
Network tv	25,550,100	22,945,300
Spot radio	3,765,100	3,587,000
Network radio	150,400	—
Outdoor	1,775,100	1,542,500
Total measured	91,186,700	75,128,000
Unmeasured	15,000,000	12,500,000
Estimated total	106,186,700	87,628,000

MARKETING PERSONNEL

N.D. Lean, senior vp-chief operating officer
H.A. Bracken, vp-natl sales and distribution
W.E. Christell, vp-mktg
E.B. Brogan, corporate public affairs mgr
J. Press, natl adv mgr

ADVERTSING AGENCY

Dancer Fitzgerald Sample, Torrance, Cal.—Stuart Upson, chairman-chief exec; Norm Lauchner, managing director; Jim Lindsey, mgmt super.

KNOW THY COMPETITION

See page 125

LNA

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Trans World Corp.

	1981	1980
Sales.........	$5,265,500,000	$4,992,200,000
Earnings.....	71,200,000	44,916,000
Advertising*.	95,235,900	88,975,000

*AA estimate

Trans World Corp., New York, the 57th largest national advertiser, spent $95.2 million on advertising in 1981, a 7% increase from 1980.

The company showed a 5.5% increase in sales over the same period, reaching $5.27 billion. Pretax income in 1981 totaled $71.2 million, up 58.6% over the $44.9 million recorded in 1980. (In 1980 and 1979, Trans World's pretax income had fallen considerably from $92.5 million in 1978.)

Four of the company's subsidiaries, Canteen Corp., Century 21 Real Estate, Spartan Food Systems and Hilton International Co., all enjoyed increased revenues from 1980.

Hilton had its best year ever, with 1981 pretax income of $73.4 up 11.5% from 1980.

One of the company's subsidiaries, Trans World Airlines (TWA), lost money, reflecting the economic slump air carriers have suffered over the last two years. TWA's advertising spending, however, increased by 8.2% over 1980. The airline spent $55 million on advertising, with $10 million in spending measured by Leading National Advertisers and $40 million in newspapers. It also spent $208,100 in measured spending on its air freight division.

TWA ranked fifth among airlines in its revenues from passenger miles with $25.8 billion, up 8.6% from 1980. Yet the company continued to operate at a loss, with a pretax deficit of $28.2 million, or $1.2 million worse than last year. Its system capacity declined 9.4% because of reduced operations stemming partly from Federal Aviation Administration flight restrictions and the stagnant airline market.

To increase ridership, TWA used flight incentives in most of its ad campaigns. It jumped into the airlines' price wars with its "Anywhere on TWA for $149," which later increased to $179 when TWA introduced its Supersaver fare for $149. It also followed American Airlines by offering a frequent-flier bonus. Any passenger who traveled 60,000 miles became eligible for two free round-trip economy tickets to any TWA international destination.

The rest of TWA's ad dollars were spent on the Ambassador Class to Europe campaign, which boasted that TWA had "wider seats and more legroom than any other airline" in its revamped transcontinental Boeing 747 carriers.

The airline also reportedly renegotiated its commission contract with Ogilvy & Mather, New York, where a large jump in estimated billings would mean the increased profit would be split between the agency and client. Such a move, according to reports, would be beneficial to TWA.

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Mary Herlehy

Trans World Corp.'s Century 21 saw some expansion, despite a depressed market.

Hilton International Co., the corporation's biggest money earner, acquired eight more hotels in 1981 to make a total of 85 Hilton owned or operated facilities in 43 countries. However, occupancy rates for the hotels were down by 2% to 71% for the year.

A total of $1.7 million was spent on measured advertising, with $530,700 used to continue Hilton's push to acquire domestic hotels under the Vista International banner. A Philadelphia Vista is scheduled to open in late 1982. The hotel's major campaign in 1981 was aimed at business travelers under the theme, "Where the world is a home." McCann-Erickson, New York, created the campaign.

Only one of Trans World's two foodservice wings, Spartan Food Systems, showed great improvement over last year. Revenues of Spartan, owner of Quincy's Family Steak Houses and a Hardee's restaurant chain franchisee, reached record highs, reaching $9.2 million in 1981, a 43.7% increase over 1980. The company added 12 Hardee's units and closed one to bring the total number of its holdings in this fast-food restaurant to 242 units. Quincy's has charted rapid growth with a year-to-date restaurant total of 115, up 68 units from 1980.

Trans World's other foodservice company, Canteen Corp., had only a slight profit increase, 4.5% over last year. Because of the depressed manufacturing industry, fewer people ate at Canteen's industrial outlets, causing a loss in revenue. To hit on this crunch, Canteen expanded its "By-the-Ounce" program, which allows employes to buy only the amount of food they want. The company also expanded its cooperative vending program and introduced a chain of deli restaurants, Gulliver's delis. There are currently five outlets, with five to 10 more restaurants expected to open in 1982, and 10 to 12 additional units planned for 1983.

Canteen has three subsidiaries, Milnot Co., processor and distributor of a canned milk-based product and other foodstuffs; Dunhill Personnel System, an employment placement agency, and Rowe, a cigaret vending service. Advertising is done in-house.

Century 21 Real Estate, which maintained its position as North America's No. 1 franchise real estate organization, managed a slight profit despite the depressed real estate market. The corporation's pretax profits were up 6.4% from last year for a 1981 total of $9.2 million.

In an effort to buy back individual franchises, Century 21 acquired the formerly independent New England region in 1981, and in early 1982 it merged two independently owned Ohio regions into one company-owned region. It now owns 14 of the 29 franchises.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers......	$17,354,100	$17,546,100
Magazines.......	6,262,300	3,038,900
Spot tv............	11,929,700	11,532,100
Network tv.......	15,158,700	14,225,100
Spot radio........	4,757,200	6,356,400
Network radio...	647,900	—
Outdoor..........	376,400	61,800
Total measured	56,486,300	52,760,400
Unmeasured...	38,749,600	36,214,600
Estimated total.	95,235,900	88,975,000

TRANS WORLD AIRLINES

MARKETING PERSONNEL

N.M. Effman, senior vp-airline planning
B.J. Kennedy, vp-adv & sales
L.S. Toulouse, staff vp-passenger mktg

ADVERTISING AGENCY

Ogilvy & Mather, New York—domestic/intl passenger services—Graham Phillips, mgmt rep; Max Bisset, mgmt super.

HILTON INTERNATIONAL CO.

MARKETING PERSONNEL

Fred W. Ruoff, vp-mktg
R.H. Braun, adv & sales promotion
R.H. Treseder, adv mgr (Europe, Africa, West Asia)
JoAnn Zaccarelli, adv mgr

ADVERTISING AGENCY

Lord, Geller, Federico, Einstein, New York—Al DeJonge, acct exec.

CANTEEN CORP.

MARKETING PERSONNEL

Daniel R. Krpan, vp-mktg
H. Kenneth Hatter, director-mktg and prod planning

ADVERTISING AGENCY

Inhouse.

CENTURY 21 REAL ESTATE CORP.

William B. Mosely, senior vp-mktg & adv

ADVERTISING AGENCY

WRG/West, Los Angeles—Stephen O'Leary, mgmt super; Peter Hale, acct super.

SPARTAN FOOD SYSTEMS

MARKETING PERSONNEL

Loren M. Seager, vp-mktg

ADVERTISING AGENCIES

Benton & Bowles, New York—Quincy's, Hardee's franchises—John O'Neil, acct exec, Quincy's; Steve Jarmon, acct exec, Hardee's.

Jackson Smith Advertising, Atlanta—Ed Redmond, acct exec.

Souther Agency, Spartanburg, S.C.—Larry Souther, acct exec.

UAL Inc.

	1981	1980
Sales.........	$5,141,174,000	5,041,335,000
Earnings.....	(70,530,000)*	21,008,000
Advertising..	70,585,100	60,164,100

*(Loss)

UAL Inc., Elk Grove Township, Ill., the 75th largest national advertiser in 1981, spent an estimated $70.6 million in advertising, a 17% increase over $60.2 million in 1980.

UAL is a holding company comprising four main units—United Airlines; Westin Hotels, a Seattle-based hotelier; Mauna Kea Properties, including the Mauna Kea Beach resort hotel in Hawaii and real estate interests, and GAB Business Services, New York, an insurance services and claims adjusting company.

UAL's operating revenues totaled $5.14 billion in 1981, a 2% increase from the 1980 figure of

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$5.04 billion. But after a brief earnings recovery in 1980, UAL plunged into the red in 1981, losing $70.5 million in 1981, compared with a gain of $21.0 million in 1980. The loss stemmed from persistent earnings problems at United Airlines; its net loss for the year was $104.4 million. Like other carriers, United was faced with a myriad of operating difficulties during the year, including air fare wars and the air traffic controllers' strike.

At the same time, hotel operations, including Westin and Mauna Kea Properties, set records in 1981 with net earnings up 12% to $35.4 million versus $31.5 million in 1980. GAB Business Services experienced a $1.6 million loss for the year, compared with 1980's net earnings of $4.6 million.

In the first quarter of 1982, the slump continued, and it began to affect Westin Hotels. The company reported a net loss of $129.3 million, attributing the record losses to discounts and schedule limitations resulting from the air traffic controllers' strike. Net earnings were down for hotels, compared with 1981's first quarter because of the recession.

The company looked to all parts of its operations to reduce expenses, but advertising and promotion budgets were not reduced, largely because of the competitive nature of the airline industry. In fact, the total estimated increase of 17% is the largest UAL advertising increase in the last two years, according to ADVERTISING AGE estimates. Advertising became even more important to all the airlines during 1981, as each tried to attract customers, tell travelers about new routes and discount prices and, with the air controllers' strike, inform potential fliers that the airlines were still operating.

The industry's turbulence led to a raft of agency changes, including shifts at American, Eastern, Republic, Northwest and others. United's top management stressed its satisfaction with Leo Burnett USA, its agency since 1965, and the relationship appeared solid despite the profit problems. At the company's annual meeting, Richard Ferris, UAL president and chief executive officer, said he "couldn't be happier" with the agency's work.

The airline did make several important cost-cutting measures in 1981 and early 1982. In August, 1981, United pilots agreed to a new contract that reduced crew sizes on certain airplanes and increased productivity. The airline's machinists signed a new contract in March, 1982, providing advantageous terms to the carrier. Thousands of United employes were furloughed, however, as the airline made personnel cuts when traffic dropped.

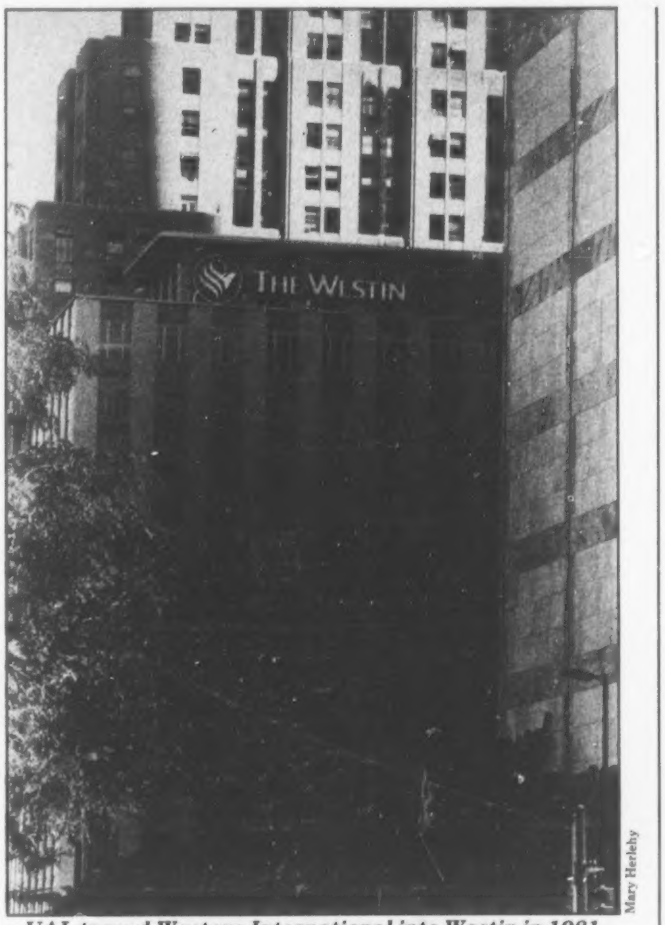
The carrier added four DC-10s and grounded a number of less fuel-efficient aircraft in its attempt to improve operating costs. In the fall of 1982, the airline planned to start flying the new Boeing 767, a plane nearly 35% more fuel-efficient than the ones they are replacing. In June of 1982, however, United and Boeing entered negotiations to cancel or substantially delay deliveries because of threats to safe harbor leasing provisions of the 1981 tax act and poor profits.

Because of the air traffic controllers' strike, there were 19% fewer scheduled aircraft departures. Increased use of larger aircraft kept the year-to-year decline in available seat miles to 11.7%. Scheduled revenue passenger miles were 9.4% below 1980, the company reported. The company maintained its status as the nation's largest airline in terms of operating revenues and revenue passenger miles flown. United's actual load factor was 59.6% in 1981, compared with 58.4% in 1980, while its break-even load factor was 63% in 1981 versus 59.7% in 1980, according to a Salomon Bros. report.

United's advertising, for the most part, involved both offensive and defensive measures relating to new routes, fares and services. The airline carried over into 1981 a campaign started in 1980 adapting its long-running "Fly the friendly skies" theme, and using the line, "That's what friendly skies are all about." For most of the year, though, the airline advertised prices and destinations.

Then, in January, 1982, the company launched a new campaign directed at business travelers. A continuing series of spots featuring prominent businessmen and women posed and answered the question, "Why do 100,000-mile fliers choose United Airlines?" Among the first presenters were Frank Capra Jr., president, Avco Embassy Pictures; Jean Nidetch, founder, Weight Watchers International; Hugh G. Glenn, president, Omega Watch USA, and Charlie O. Finley, former Oakland A's owner.

The airline continued to support its primary leisure travel destinations, Hawaii and Florida, with various advertising and promotion programs. Spots showing in-flight Royal Hawaiian Service and island destinations were aired during the year.



Mary Herlehy

UAL turned Western International into Westin in 1981.

In January, 1981, United introduced Al E. Gator, an animated spokesman, to promote its "Sunbird" service to Florida from several Northern cities. The character, a dapper-dressing alligator with a southern drawl, appeared in both television and print advertising in 1982, too.

Much of the year's advertising revolved around new routes. Taking advantage of the deregulated skies, United moved to strengthen its Chicago and Denver hubs by offering new service to Tulsa, Oklahoma City and Wichita, Kan., in June, 1981. Service from Chicago to Cincinnati was added in July. The carrier announced plans to start service to Albuquerque, N.M., San Antonio, Louisville, Ky., and Syracuse, N.Y., but in the fall of 1981 was forced to retrench because of capacity restrictions brought about by the air controllers' strike. In June, 1982, United received government authority to fly between the Pacific Northwest and Japan, and said it would start the service in April, 1983.

United did reenter the southwestern market in early summer, 1982, after Braniff Airlines entered bankruptcy, leaving the prime Dallas market open to competitors. United started service to that city from Chicago and Denver, and also carried through its earlier intention to fly to San Antonio.

Throughout 1981, United, hit hard by new, low-cost carriers in many of its primary markets, struck back by matching fares on competitive routes. In Chicago, for instance, the airline slashed prices on selected flights to cities where it competed with Midway Airlines. Its most ambitious response, Friendship Express service, surfaced in late spring in the Cleveland market, where New York Air had initially carved out a healthy market share by offering low fares.

In the fall, United expanded the Friendship Express concept to routes in the West—principally from hubs at Los Angeles and San Francisco. Using peak and off-peak pricing, United began the service on Oct. 1 from Los Angeles to San Francisco.

Advertising in western markets concentrated heavily on the introduction of the new low-fare concept. In April, 1982, the carrier launched a business class service—first class-type seating, advance seat reservations and complimentary meal and cocktail services—on all Friendship Express flights between Los Angeles, San Diego, San Francisco and Portland and Seattle, and between Phoenix and San Francisco. The airline said it made the move back to additional services because of a desire by some business people for the amenities.

Principally, though, the airline paid more attention in its advertising to the endless array of discount fares generated by its competitors, and, in some cases, itself. The heavily traveled transcontinental routes were a hub of price promotion activity throughout the year, as United contended with traditional rivals, TWA and American, and a relative newcomer, Eastern.

United followed the lead of competitors in May, 1981, when it announced a program to reward frequent fliers. The airline called its program, "Mileage Plus." The promotion gave travelers a chance to gain discounts on round-trip tickets if they flew United and logged their mileage.

The company turned its at-

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tention and ad dollars to one major new business during the year—overnight package delivery. Touting its growth potential, United announced that it would enter the $2 billion-plus market in September, 1981, under the United AirExpress name. United used its own planes and contracted ground service operations to independent freight forwarders. The airline said it would launch a multi-million-dollar ad campaign in September, 1981, to back the service in major markets. The air traffic controllers' strike forced United to cut back on the number of evening and early-morning flights in major markets that make up the bulk of the overnight package delivery business. Eventually, some of the flights were restored.

By the spring of 1982, the United AirExpress campaign was in full swing. Television and print ads showcased humorous talking packages eager to "fly the friendly skies." The airline said it would spend $13 million in 1982 to advertise and promote the AirExpress service.

The air traffic controllers' strike left an indelible mark on United's business in the second half of 1981, and, the airline contended, into 1982. Government-mandated cutbacks hit United particularly hard at hubs in Chicago and Denver, where it had a 24% and 16% reduction in departures, respectively. United moved ads to cope, trying to inform put-off passengers that the airline was still flying a reduced, but normal, schedule. Yet, as Mr. Ferris told shareholders at the company's annual meeting: "Some passengers simply decided not to fly. Others changed their routings .... The geographical imbalance left United at a competitive disadvantage."

Making good on its promise, the company's Western International Hotels division implemented a corporate name change to Westin Hotels in 1981. The Westin name was placed on 23 operating hotels and included on five hotels under development. Throughout the year, Westin advertised the new name and redesigned corporate logo. The chain then extended the introductory campaign to feature the "Westin Man" and "Westin Woman" in its 1982 advertising. The campaign from Cole & Weber, Seattle, carried the subtheme, "First-class, worldwide."

The company said that the recession would not affect its plan to add 22 new hotels by 1985. The chain's average occupancy rate was 77%, three points lower than 1980, but still considered above the industry's average rate.

In 1981, Westin opened three new properties: The Westin Hotel, Cincinnati; the Shangri-La, Hong Kong, and the Camino Real, Ixtapa, Mexico. It also completed a major addition to the Williams Plaza, Tulsa. In 1982, Westin slated new additions at the Arizona Biltmore, Phoenix; the Carlton, Johannesburg and the Westin Hotel, Seattle. A new hotel was scheduled to open at Vail, Colo., later in the year.

To complete its expansion plans, Westin announced several new projects. In 1983, openings were forecasted for the Westin Hotel, Galleria, Dallas; the Westin Hotel, Copley Place, Boston; the Westin Hotel, Ottawa, and the Camino Real, Tijuana, Mexico.

Other planned projects included Westin properties in Birmingham, Ala., and near O'Hare Airport, Chicago.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$19,034,400	$16,245,200
Magazines	4,662,800	3,670,800
Spot tv	16,738,400	12,431,700
Network tv	8,297,400	8,491,000
Spot radio	8,421,300	8,148,900
Outdoor	406,200	298,600
Total measured	57,560,500	49,286,200
Unmeasured	13,024,600	10,877,900
Estimated total	70,585,100	60,164,100

UAL INC.

MARKETING PERSONNEL

United Airlines

J.R. Zeeman, senior vp-mktg
J.E. Ruhaak, vp-mktg resources
J.C. Blackman, vp-genl sales mgr
P.G. Golbitz, vp-AirExpress
D.C. Moonjian, vp-mktg management

Westin Hotels

W.P. Newman, senior vp-mktg
D.R. Evans, vp
U. Schwartz, vp
R.D. Olstad, vp

GAB Business Services

A. Peters, vp-mktg

ADVERTISING PERSONNEL

United Airlines

W.F. Alenson, director-adv & promo
A.E. Sortwell, mgr-adv
W.D. Groundwater, mgr-adv
L.A. Small, mgr-adv
J.P. Grember, special projects mgr
S.A. Grosvald, mgr-merch & promo
L.E. Brenne, mkt development mgr

Westin Hotels

R.D. LaRue, director-adv & pr
Barbara Sand, adv mgr

GAB Business Services

Michael Gron, mgr-mktg support

ADVERTISING AGENCIES

Leo Burnett USA, Chicago—United Airlines—Dave Smith, mgmt director; Jim Thompson, vp-acct super; Ashton Lee, acct super; Jim Dotter, John Goad, acct directors; Cynthia Caples, Jeff Kaiser, Don Campbell, Dick Treat, Dave Palmer, acct execs

Cole & Weber, Seattle—Westin Hotels—Lee Bartlett, vice-chairman; Sharon Lee, acct exec.

Doremus & Co., New York—GAB Business Services—John Fisher, vp.

Unilever U.S.

	1981	1980
Sales*	$2,838,888,000	$2,811,228,000
Earnings*	145,584,000	133,770,000
Advertising*	188,878,800	158,329,100

*North American figures for Unilever NV
**AA estimate

Unilever U.S., New York, which includes Lever Bros., Thomas J. Lipton Inc. and National Starch & Chemical Corp., is the nation's 27th largest advertiser, spending an estimated $188.9 million in advertising in 1981, up 19% from 1980.

Combined sales of the three companies, and including Canadian operations, totaled $2.84 billion in 1981, an increase of about 1% over 1980. Operating income in 1981 rose about 8.8% over 1980 to $145.6 million.

As suggested by the performance figures, economic activity for Unilever U.S. remained sluggish, as it was in Europe for parent Unilever NV, based in Rotterdam, the Netherlands, and London.

But in one bright note, National Starch & Chemical had a good year in 1981, with sales of $668.3 million, up 21.1%, and earnings increased 28.3% to $41.4 million.

Thomas J. Lipton Inc. both maintained its market position and improved its profits. And Lever Bros. management continued its efforts to restore this division to financial health.

Lever Bros., which six years ago set out to save money on media planning and buying by creating an in-house shop, abandoned its plan in early 1982, and returned all but network tv buying to its regular agencies of record. A Lever executive said changing factors in the media area persuaded the company to make the transfer. Originally, Lever hoped to add $3 million to profits by moving in-house and, in fact, in 1981 the company saved about that amount through this operation.

Michael R. Angus, named Lever Bros. chairman-chief executive officer in early 1980, continued his policies of shoring up profitability and long-term investments.

On the production side, the company opened a $43 million soap plant in Hammond, Ind., in October, 1980, that reduced by 10% the cost of making Lever bar soaps. In February, 1981, the company completed the shutdown of margarine production at the Hammond plant and parceled out production to independent contractors.

On the marketing front, Lever faced stiff competition on all sides. The margarine category, which sustained heavy losses in its food division in 1980, held steady in 1981. Lever's No. 1 brand, Imperial, had a healthy resurgence in sales.

Promise brand margarine, introduced in 1972 as a premium-price polyunsaturated brand, held onto its 1% market share. Measured media advertising support totaled $3.6 million, according to Leading National Advertisers estimates, all put into spot tv. McCann-Erickson handles the account and handles Unilever margarine in Europe as well.

Over-all, Lever's other margarines got about $1.8 million in measured media support. Most of these dollars were channeled to spot tv. Autumn 100% Natural margarine received $678,000, down 21% and Promise received $1.2 million, up 10% over 1980 spending.

Lever's other principal food product, Mrs. Butterworth's syrup, continued to grow.

Faced with economic conditions similar to those in 1980, Unilever officials reportedly have their eye on the American foods market, particularly the high end, and are looking to acquire a branded food producer with healthy profit margins.

Unilever's last purchase in the U.S. was Lawry's Foods in 1979, which is now merged with Lipton.

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See page 125

LNA

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Judd-Falk

124 East 37th Street
New York, N.Y. 10016
Telephone: (212) 686-1500

111 East Wacker Drive
Chicago, Ill. 60601
Telephone: (312) 856-1400

Lipton products once again soaked up much of the domestic advertising budget, receiving about $34.2 million in measured media in 1981, up 12.1%. The bulk of the sum was spent for network and spot tv and magazines.

The most heavily supported Lipton products included Lipton tea bags ($9.2 million), Lipton soup mixes ($7.6 million), Cup-a-soup instant soup mix ($4.7 million), iced tea mix ($1.9 million) and flavored teas ($3.9 million).

Lawry's products got about $2.7 million in measured media, virtually all of it in magazines and spot tv. Lawry's seasonings got the lion's share of advertising at $2.2 million.

Lever's household products division, which accounts for about two-thirds of the company's volume, registered some gain in sales and profits in 1981. Unit figures increased only nominally, however, and all of the division's five marketing categories showed improved growth last year. These major marketing areas are detergents, soap bars, light-duty liquids, fabric softeners and automatic dishwashing liquids.

The division's four major brands—Wisk, All, Dove and Caress—continued to make up the bulk of the division's volume. Wisk liquid detergent got more than $11.5 million in measured media; All, about $10 million; Dove products about $9.5 million, and Caress soap bar, slightly more than $6 million. Advertising was concentrated in magazines, network and spot tv.

Lever Bros.' new Sunlight, a light-duty dishwashing liquid, continued its national rollout in 1981, which is expected to be completed in 1982.

Lever officials believe Sunlight can become one of the top five brands once it reaches full national distribution in the premium-price dishwashing liquid market.

Lever's biggest national entries in the category now are Dove and Lux, each holding about 3.5% of the market. Sunlight is the first major introduction of a dishwashing liquid since the mid-1970s. Sunlight received more than $1.4 in measured ad support, spread between magazines and spot tv.

Lever changed the 25-year-old Dove soap wrapper from blue to white, noting new package in tags to regular tv spots since mid-December of last year. The theme continues: "If you use Dove for seven days, your skin will look and feel softer."

The performance of Shield, launched nationally in early 1981, pointed the way to further inroads on the deodorant soap segment. Although Shield is not positioned as a "refresher" soap, but rather as a strong odor-fighter, it has achieved a 4% share in just more than a year on the market. Some of Shield's sales appear to be coming from other brands in the segment, including Procter & Gamble's Zest (8%), Coast (6.7%) and Safeguard (6%).

The deodorant soap was supported by more than $10 million in magazines, newspaper supplements, network and spot tv.

The competition for market share was fierce in Lever's personal products division. P&G's formal announcement of advanced-formula Crest sparked verbal response from both Lever and rivals Colgate-Palmolive and Beecham.

Initial competitive response from Lever included the addition of new copy on packaging for Aim, claiming that it is "unsurpassed in cavity protection." Lever wrote to all American Dental Assn. members, stating, "While the new Crest should be better than the old Crest, there is no reason to expect that it is better than Aim."

Lever also tested Close-up with fluoride in Burlington, Vt., and a mint flavor Aim. Close-up with fluoride has since been expanded nationally. Measured ad support for Aim was just over $19 million; Close-up was backed by more than $12 million, and Pepsodent received $2 million, all spread between magazines, network and spot tv. Market share figures are Aim, 10%; Close-up, 7.3%, and Pepsodent, 2.7%.

Early in 1982, Lever began testing new copy for Signal mouthwash in Portland, Ore. BBDO spots say, "Goodbye to bad breath; hello to fresh breath; do the Signal switch." Nationally, the "Kiss me, I got the Signal" theme continues with over $4 million in advertising for magazines and network and spot tv.

In the deodorant/antiperspirant market, the personal products division went national with Impulse deodorant/fragrance body spray in May, 1982, with a $13 million campaign. Impulse was tested in Rochester, N.Y., where it gained a 9.9% share of the deodorant/antiperspirant market.

Elsewhere in 1981, Interpublic Group of Cos., after three years of negotiating, purchased Unilever's holdings in the advertising agency SSC&B: Lintas International.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$3,542,000	$1,644,800
Magazines	17,104,800	14,424,700
Spot tv	42,949,800	38,502,500
Network tv	95,192,000	74,111,800
Spot radio	53,700	349,900
Outdoor	36,400	296,400
Total measured	158,878,800	129,329,100
Unmeasured	30,000,000	29,000,000
Estimated total	188,878,800	158,329,100

LEVER BROS. CO.

MARKETING PERSONNEL

Richard C. Butler, director, Lever Media Group

HOUSEHOLD PRODUCTS DIVISION

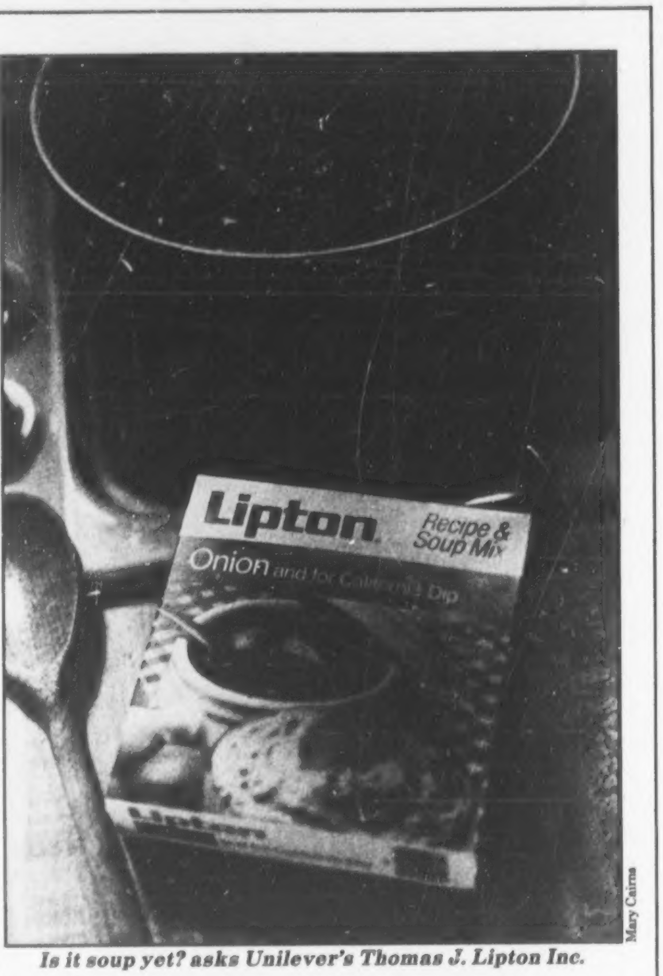
MARKETING PERSONNEL

John R. Cookson, president
Andrew Seth, mktg vp
Richard P. Donnelly, mktg mgr
George T. Mayer, mktg mgr
John R. Speirs, mktg mgr
I. Robert Wanke, mktg mgr
George J. Franzen Jr., vp-sales
Edward L. Kiefhaber, general sales mgr
Gloria B. Deragon, mktg rsch director
Bonnie J. Carlson, group promo devel mgr

ADVERTISING AGENCIES

Ogilvy & Mather, New York—Final Touch, Dove—Jack Reed, senior vp-mgmt super; Sylvia White-head, acct super, Final Touch; Gerry Lantz, acct super, Dove; Jeanne Follansbee Quinn, acct exec, Final Touch; Mary Gael Senko, acct exec, Dove.

J. Walter Thompson USA, New York—Shield, Rinso, Dove liquid, Lux soap—John Maher, group acct director; Charles Stockhouse, mgmt super; John Tracosas, acct super.



Is it soup yet? asks Unilever's Thomas J. Lipton Inc.

Mary Cairns

SSC&B: Lintas Worldwide, New York—Concentrated All, Liquid All, Dishwasher All, Lifebuoy—Spencer Plavoukos, exec vp-senior mgmt officer; John W. van der Kieft, vp-mgmt super; N. Bruce Kravetz, acct super; Steven Barcan, acct exec.

BBDO, New York—Wisk, Sunlight, Caress, Lux Liquid, Phase III, Breeze, new prods—Ken Rogers, senior vp-mgmt super; James Keller, acct super, Wisk, Caress and new products; Ken Runkel, Sunlight and new prods.

PERSONAL PRODUCTS DIVISION

MARKETING PERSONNEL

Arthur C. Unger, president
Fritz C. Hoefer, mktg mgr
Donald E. Karlson, mktg mgr
David O. Williams, mktg mgr
Paul E. Regan, vp-sales
James D. Clokey, mktg rsch director
Seymour (Zish) Molbegott, promo devel director

ADVERTISING AGENCIES

Ogilvy & Mather, New York—Aim—Jack Reed, senior vp-mgmt super; Kathy Foley, acct super; Jeanne Follansbee Quinn, acct exec.

J. Walter Thompson USA, New York—Close-up, Impulse body spray, Denim fragrance—John Maher, group acct director; Ken Ash, mgmt super; Dorian Adams, acct super, Close-up; Gary Steele, acct super, Impulse.

SSC&B, New York—Pepsodent dentifrices, Pepsodent toothbrushes, Life Line toothbrushes, DX toothbrushes—Alan Grazio, senior mgmt officer; Richard V. Ellington, mgmt super; Hugh L. Craigen, acct super; Carel E. Lindenmeyr, acct exec.

BBDO, New York—Signal, new prods—Ken Rogers, senior vp-mgmt super; Margaret Evans, acct super.

FOODS DIVISION

MARKETING PERSONNEL

William G. Pietersen, president
Richard F. Gaccione, vp-mktg
Rolf J. Bohuis, mktg mgr
Robert J. Kenney, vp-sales devel
Geraldine Russo, mktg rsch director

ADVERTISING AGENCIES

Ogilvy & Mather, New York—Imperial margarine—Jack Reed, senior vp-mgmt super; Gerry Lantz, acct super; Chuck Hodgkinson, acct exec.

SSC&B, New York—Autumn margarine—Alan Grazio, senior mgmt officer; Richard V. Ellington, mgmt super; Hugh L. Craigen, acct super; Carel E. Lindenmeyr, acct exec.

McCann-Erickson, New York—Promise margarine—Robert Wadsworth, senior vp-mgmt rep.

BBDO, New York—Mrs. Butterworth's—John Dunning, senior vp-mgmt super; Rosemary Slott, acct super.

SPECIAL MARKETS DIVISION

MARKETING PERSONNEL

Gerald V. Batti, genl mgr
Richard H. Schaefer, mktg director
William J. Kirkpatrick, sales director
James J. Barone Jr., genl sales mgr-armed forces domestic

ADVERTISING AGENCIES

Caldwell/Reingold Group, New York—military market, Hawaii, Alaska, Guam—Harry Reingold, exec vp-mgmt super; Amy Marks, acct exec.

Lavey/Wolff/Swift, New York—professional programs—Doug Conetta, acct exec.

Sudler & Hennessey, New York—professional programs—Bob Brancaccio, senior vp-mgmt super; Peter Christopher, acct super.

SSC&B, New York—selected brands in Puerto Rico and the Virgin Islands—Spencer Plavoukos, exec vp.

INDUSTRIAL DIVISION

MARKETING PERSONNEL

Conrad W. Petersen, genl mgr
James J. Reilly, sales mgr-detergents and toiletries
Joseph P. Kysel, sales mgr-chemical and edible products
Anthony F. Del Balso, sales mgr-government accts

ADVERTISING AGENCY

Richard-Lewis Corp., Scarsdale, N.Y.—industrial and institutional products—Richard Byer, president.

THOMAS J. LIPTON INC.

MARKETING PERSONNEL

D.W. von Arx, senior vp-mktg
G.B. Boycks, vp-beverage div
J.W. Benson, vp-foods div
E. Ladendorff, vp-mktg, support & devel
Allen Carlson, director-dry mix beverages and new bev. prods
Franklin Claire, director-ready-to-drink beverages
Arthur Gonis, director-regular and herbal tea prods
David Bell, director-soups/meals
Angelo LaMantia, director-new food projects
Anthony Montuori, director-condiments/desserts
Daniel Morrison, director-pasta prods
Walton Alder, director-sales promo
Joseph Bradley, director-mkt rsch
Arthur Harckham, director-package design
Bruce Hoenig, director-TJL Media Inc.
Theodore Labiner, director-creative service
Blaine Hess, general mgr-frozen foods
Anthony Franke, director-foodservice
Richard Kundrat, director-mktg & sales

Sahadi div

ADVERTISING AGENCIES

SSC&B, New York—tea beverages, Cup-a-soup, Spatini, Good Humor—Don Linton, Howard Becker, mgmt supers; Karen Strickland, Elizabeth Green, Helen Runsdorf, Robert Nadelman, acct supers; Linda McCreght, acct super.

Young & Rubicam, New York—regular soup mix—John Hatheway, mgmt super; Ed Concannon, acct super; Anne Kirkwood, acct exec.

Lee King & Partners, Chicago—Wish-Bone dressing, Pennsylvania Dutch egg noodles, Knox gelatin—Jerome Reshkin, R. Immen, J. Lapecewich, mgmt supers; Hank Barker, Britt Dudgeon, Todd Ford, acct supers.

Foote, Cone & Belding, New York—Sunkist food and beverage prods—Charles Evans, mgmt super; Tony Talalay, Nancy Beck, acct supers.

Ross Roy NY/Compton—A. Sahadi & Co., Grocer's Choice fruit snack—Herb Warden, mgmt super.

Albert Jay Rosenthal, Chicago—foodservice—Marvin Haas, acct super.

LAWRY'S FOODS

MARKETING PERSONNEL

R. Lance Hewitt, vp-mktg

ADVERTISING AGENCY

Dailey & Associates, Los Angeles—Steve Chabre, mgmt super; Frank Farrell, acct serv; John Bergquist, acct exec.

NATIONAL STARCH & CHEMICAL CORP.

Bridgewater, N.J.

MARKETING PERSONNEL

W.K. Brubman, president
H.M. Barry, director, mktg communications and pr
N.G. Marotta, F.L. Murphy, A.G. Battaglia, group vps
W.H. Stone, vp-genl mgr, indl starch div
R.A. DeWolfe, vp-genl mgr, adhesives div
C.D. Szymanski, div vp,advanced chemical technologies

ADVERTISING AGENCY

Marsteller Inc., New York—National Starch & Chemical Corp.'s foods, starches, adhesives and flavorings—Dan Bennett, mgmt super; Bernie Berch, acct super; Mike Vana, acct exec.

Union Carbide

	1981	1980
Sales*........	$10,168,000,000	$9,994,100,000
Earnings*....	649,000,000	672,600,000
Advertising**	90,000,000	74,311,166

**AA estimate

Union Carbide Corp., Danbury, Conn., the 58th largest national advertiser, increased domestic advertising spending by 21.1% to $90 million in 1981. This came in a year when sales gains in the company's consumer group, including Eveready batteries, Glad plastic bags and wrap and Prestone automotive products, helped to offset heavy international losses resulting from deep recession and currency devaluations in overseas markets.

Sales worldwide rose slightly to $10.2 billion, a scant 1.7% over 1980, with U.S. sales making up 69% of that figure. Earnings were $649 million, a decline of 3.5% from 1980, while operating profits rose 7.6%. However, sales of consumer products rose 6.2% to $1.9 billion.

Union Carbide manufactures chemicals and plastics, which contributed 37% to 1981 sales and 23% to income; gases and related products, 17% of sales and 26% of income, and metals and carbons, 17% of sales and 24% of income. Batteries and home and automotive products added 19% to sales and 17% to income, while specialty products contributed 10% and 10%, respectively.

International operations, which accounted for 31% of Union Carbide's 1981 sales and 28% of operating profit, suffered a 23% drop in earnings from 1980.

In 1981, Union Carbide spent 81.5% of its measured media dollars in tv, compared with 75% last year. It increased radio spending to 10.5% from 8% in 1980. Ad expenditures in print were cut to 7%, compared with the previous year's 16%, and outdoor advertising was maintained at 1% of total measured budget.

Last year, the Eveready and Energizer battery brands, holding a 50% market share, and Eveready flashlights and lamps continued to get the lion's share of Union Carbide's ad budget, measuring $28.6 million, up from $23.4 million in 1980. Of that expenditure, 84% went to tv, up from 77% in 1980.

A large portion of this hefty tv expenditure went to support Union Carbide's Energizer brand of alkaline batteries, introduced in 1980 and already a brand leader. During the peak battery-buying holiday season, tv ads regularly reminded consumers that "of all leading brands, nothing outlasts the Energizer."

One tv spot featured the Sony Walkman II as one of the many devices whose use and enjoyment are enhanced by the Energizer's long life.

Advertising on tv and in Sunday supplements encouraged consumers to "Save with the cat," the brand's symbol for more than 40 years. One print offer featured a free black cat bank or a 50-cent refund with proof of purchase. Last year, Union Carbide expanded Hispanic advertising for batteries from radio only to a combination of radio, tv and out-of-home.

The battery products division also supported reintroduction of Eveready's general purpose carbon-zinc line of batteries. Glad plastic bags and wrap received $15.8 million in measured media support, all in tv, in 1981, up 30.6% over 1980's spending level.

Glad is the market leader in the $1 billion plastic bag market, followed by Mobil Corp.'s Hefty line. In addition, Glad products are the third largest dry grocery product, behind Pampers and Tide, sold through U.S. retailers.

Tom Bosley, star of tv's "Happy Days," continued as the Glad spokesman and was featured in spots for two new products-Glad Handle-Tie kitchen garbage bags and Glad 3-ply trash bags. Glad Snap Lock storage bags underwent further market testing.

Measured spending for Prestone automotive products was up 18% to $5.2 million in 1981 and all but $122,200 went to tv, in spite of a slight decline in antifreeze sales volume.

As usual, the annual Prestone II antifreeze campaign coincided with the start of fall sports programing, including the World Series, "Monday Night Football," and various promotions related to National Football League's Superbowl.

Union Carbide's reformulated Gas Miser additive disappeared from view, despite promises of multi-million-dollar ad budgets made when the product was relaunched in 1979.

The Simoniz line of car waxes and polishes was supported by measured media spending of $691,600 in 1981, way down from the $2.2 million spent in 1980. Of that expenditure, $559,300 went to back new Simoniz SuperPoly car wax line.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers......	$2,112,900	$3,496,200
Magazines.......	406,700	1,548,700
Farm publications	1,477,100	2,575,000
Spot tv...........	3,398,030	4,197,800
Network tv.......	42,389,700	31,752,800
Spot radio........	5,795,900	3,845,900
Network radio...	122,290	—
Outdoor..........	491,100	414,700
Total measured	58,193,600	47,831,100
Unmeasured	31,806,400	26,480,066
Estimated total.	90,000,000	74,311,166

MARKETING PERSONNEL

Corporate

M.C. Lewis, director-corporate communications

Divisions

W.J. McDermott, director-adv/sales promo, home & automotive prods
C.D. Klein, mktg mgr-adv, battery products division
J.A. Bruorton, mgr-adv & mktg admin, electronic division components dept
R.A. Killeffer, mgr-communications, silicones & urethane intermediates division
A.R. Lehman, mgr-communications & training, carbon prods division
J.D. Secor Jr., mgr-communications, Linde division
J.A. Ring, mgr-communications, specialty chemical & plastics division (specialty chemicals & polymers)
P.J. Lavelle, mgr-communications, specialty chemicals & plastics division (engineering plastics)
W.E. Mainella, mgr-communications, coatings materials division
G.G. Weingardt, mgr-communications, ethylene oxide derivatives division
J.A. Moore, mgr-communications, ethylene oxide/glycol division
L.A. Agnello, director-communications, polyolefins division
R.A. Mariani, mgr-communications, solvents & intermediates division
James F. Haskins, mgr-communications, agricultural prods
John Crane, mgr-communications, metals division
H. Garcia, prod/adv mgr, molecular sieves, engineering prods division
C. Knopf, prod/adv mgr, engineering prods & processes, engineering prods division
W. Pair, prod/adv mgr, cryogenics equipment, engineering prods division
C.R. McKinsey, prod/adv mgr, coatings services, engineering prods division

ADVERTISING AGENCIES

Young & Rubicam, New York—corporate, Linde division telephone directory advertising—H.B. Hall, acct super.

Jim Johnston Advertising, New York—corporate issues.

Bozell & Jacobs, New York—carbon prods division.

Grey Medical Advertising, New York—medical prods division—Paul Chusid, president.

Fletcher/Mayo Associates, Atlanta—agricultural prods division.

Needham, Harper & Steers, New York—chemicals & plastics—H.F. Bertaku, acct super.

Poppe Tyson division of D'Arcy-MacManus & Masius, New York—chemicals, plastics, engineering prods & Linde division—F. Messner, Howard Gauvain, Diane Frattine, acct execs.

J.P. Hogan Inc., Knoxville, Tenn.—chemicals and plastics—R.J. Luedeka, acct super.

Leo Burnett USA, Chicago—home & automotive prods, film-packaging division—Bill Haljun, mgmt director; Neil Lichtman, Sadru Patel, acct execs, Glad prods; Charles Curley, acct super, Michael Peters, acct exec, Prestone auto prods; Simoniz car waxes-John Phifer, acct exec.

Garrison Jasper, Rose & Co., Indianapolis—coatings service, cryogenic prods, Linde engineering prods division—Tom Jaspar, Jim Gray, acct execs.

Anderson, Dunston & Helene, Linden, N.J.—Linde engineering prods division—Mat Pfeifer, acct super.

Manning & Associates, San Diego—materials group, electronics division—D. Manning, acct mgr.

Downs Group, Charlotte, N.C.—electronics division—Tyler Glenn, acct exec.

U.S. Government

	1981	1980
Sales.........	—	—
Earnings.....	—	—
Advertising*.	$189,026,000	$174,964,514**

*AA estimate
**Revised

Growth in the 1981 federal advertising budget, the first Ronald Reagan has influenced, slowed to 8.3% from the 18.5% rate of 1980, and the estimated governmentwide total reached $189 million. While government sponsored ads are still less pervasive in the U.S. than in some other western nations, the federal total was enough to make the U.S. Government the nation's 26th largest advertiser.

Reaganites were able to make only mid-course corrections in a 1981 spending plan worked out by Democrat Jimmy Carter and the Congress the year before. But David Stockman's team at the Office of Management & Budget immediately attacked government "flickery and flackery" with a public relations show of its own: A much ballyhooed "freeze" on government audiovisual and printed promotional products.

Millions in savings were later claimed, and dollars for some government ad assignments—almost entirely public service campaigns—were apparently squeezed from agency and department spending plans.

But military recruitment ad spending, the engine that propelled Uncle Sam into ADVERTISING AGE's top 100 advertisers' list, continues to grow.

The other major advertisers on the government list are two "quasi-public" government enterprises, the U.S. Postal Service and Amtrak, whose budgets are not under direct White House supervision. Both reported ad spending increases last year.

Military recruitment ad budgets, including Defense Department market research funds, rose last year by $20 million, or 15.8%, to $147 million, meaning that three of every four government ad budget dollars went to support armed services recruiting. This includes media buys, production costs, agency fees and other expenses associated with major ad efforts.

The budget brakes are taking hold in 1982, however, and military ad spending this year is expected to increase at a more modest 6.5% to $156.8 million. The biggest ad budget increases among the services this year were for the Army (account handled by N W Ayer, New York) and for the Defense Department's umbrella ad campaign that jointly promotes all the major armed services (Grey Advertising, New York). The Navy (Ted Bates & Co., New York) and the Marines (J. Walter Thompson USA, Washington), by contrast, took congressionally ordered ad budget cuts this year.

Military ad planners have hopes of expanding their ad budgets next year. The 1983 armed service budget requests, pending before congressional appropriations panels, propose a $20 million increase (12.6%) to $176.2 million.

The big gainers would be the Navy and Marines, who would recover from their 1982 budget losses.

The bulk of 1981's $20 million increase in recruitment spending, $13.6 million, reflected a congressional decision to stop funding the umbrella, joint service advertising campaign with cash taken from the individual armed service ad budgets.

Instead, the lawmakers approved $13.6 million specifically for joint service ads while making no reductions in individual armed service ad budgets.

The military ad budget line-up (1981/1982) looks like this: Army, Army Reserve, Army ROTC, $72.6 million/$82.1 million; Navy, $19.8 million/$17.1 million; Marine Corps and Marine Corps Reserve, $15.3 million/$14.1 million; joint service campaign, $13.6 million/$18.4 million; Air Force (D'Arcy-MacManus & Masius, New York), $15.1 million/$14.5 million; Army & Air National Guards (Needham, Harper & Steers, Washington), $7.6 million/$7.9 million; Coast Guard (Uniworld, Washington), $800,000/$300,000.

The 1983 budget requests by the military are: Army, Army Reserve, Army ROTC, $85.3 million; Navy, $23.3 million; Marine Corps and ~~Marine Corps~~ Reserve, $19.1 million; joint service ads, $21 million; Air Force, $15.3 million, and Army & Air National Guards, $8.7 million. The amount for the Coast Guard is uncertain.

Since the Pentagon has been easily meeting its recruitment quotas in the recession-plagued economy, its requests for more ad dollars for next year are likely to face a skeptical Congress looking for ways to cut defense spending.

U.S. Postal Service (Young & Rubicam, New York) ad spending rose from $13 million in 1980 to $15.2 million last year, as USPS tried to hold position in the intensely competitive overnight delivery service.

More than half the total is believed to have been in support of USPS' Express Mail service, though postal officials offered no specific spending figure.

Even at that rate, however, USPS is in deep water trying to keep pace with competitors like Federal Express, which is estimated to have spent $4.4 million on tv advertising in 1982's first quarter alone.

Emery Worldwide spent even more, an estimated $4.9 million in the first quarter of the year, and United Parcel Service is waiting in the wings with a new Gold Label Express service that might be backed with $20 million in ads.

Postal Service executives said their ad spending plans are up for 1982, and will likely exceed $18.5 million for the year. USPS also uses its ad budget to support its offerings to stamp collectors, its Priority Mail service, and it uses public service ads to encourage Zip code use and early mailing during the holidays.

Amtrak saw passenger volume in 1981 decline to 20.6 million boardings, down from its 21.4 million peak in oil embargo year 1979. But ad spending (Needham, Harper & Steers, New York) rolled upwards to $17.2

million from $13.8 million in 1980.

Despite the volume slip, higher fares pushed revenues to $496.5 million last year from $428.7 million in 1980. But the passenger railroad still survives only because of large scale government subsidies, which climbed to $712 million in 1981 and are scheduled to reach $735 million in 1982.

Additional amounts of federal aid are permitting Amtrak to complete the modernization of its fleet of single-decker cars in the East: 75 of the $1 million-per-copy cars were delivered last year and another 75 are to be received in 1982. Last year saw the last of 284 new double-decker cars, worth $312 million, delivered for service west of Chicago. Ads appearing in western markets this summer urged travelers to try "the Superliner experience" on the new double-decker cars.

There was a change at the top for Amtrak this year, with president Alan S. Boyd, its chief for the past four years, departing to head a new venture exploring the prospects for privately owned, very high-speed short haul passenger rail service. Replacing Mr. Boyd is W. Graham Claytor Jr., the former chief of the Southern Railway. He has been in private law practice since holding a series of Cabinet posts in the Carter administration.

Federal government dollars also help promote the Public Broadcasting Service's national tv offerings. But federal aid to public broadcasters, funneled through the Corp. for Public Broadcasting, is under tremendous budget cutting pressure from the White House.

CPB last year made $3.5 million available for tune-in advertising, $1.3 million for a direct buy in *TV Guide*, and the remainder for a co-op ad program with participating local tv stations. CPB tune-in ad support for 1982 is not expected to top $2.5 million.

Government purchases of measured media last year grew to $86.3 million from 1980's $84.2 million, with $36 million of the governmentwide buy going to spot and network television and $23 million to network and spot radio. The Army, with the biggest media budgets, was the biggest broadcast advertiser among the government units for the year, with $14.1 million spent in network tv and $7.7 million in network radio. Amtrak and the Postal Service were active in broadcast advertising last year as well.

Cable tv is beginning to make its appearance on the government buy list, with the Marines budgeting $470,000 for the new medium this year. Cable experiments last year involved the Navy ($180,000), Coast Guard ($80,000) and Postal Service ($34,000).

Magazines had led the government's media buy list in the 1970s, when tv and radio buys were not allowed by Congress. But in 1981 they slipped to third place, with governmentwide puchases put at $19.3 million from $26 million the year before. But magazine spending by the Army, off in 1981, is rebounding this year, and the joint military recruitment ad program is sharply expanding its magazine schedule to about $4 million this year from 1.2 million a year ago.

Newspapers picked up $2.2 million in purchases from the Army and $1.6 million from the joint military ad campaign last year, but newspapers are not on the national budget plan for those accounts in 1982. Amtrak, with its need for destination advertising, remains a regular newspaper advertiser with spending at $2.6 million last year.

Actual media spending is higher than reported here since the military distributed $18.2 million in funds to regional and local recruiting commands. Much of that was used for media purchases not reported as part of the national media schedule.

The federal budget crunch fell most heavily on the remainder of the government's advertising program: The small public service campaigns conducted by scattered agencies throughout the government. Some were snuffed out in the "freeze" of 1981; still more are likely to fall by the wayside before this year is out. Once active Energy department conservation ad campaigns are gone. The Consumer Product Safety Commission, which had spent up to $500,000 a year through various ad agencies on safety campaigns, is winding up its programs this year. The Consumer Information Center, which promotes the availability of free and low-cost government booklets, canceled plans to produce a new flight of public service ad materials.

When the 1983 tax season rolls around next spring, the Internal Revenue Service will be recycling old ads urging Americans to file early. There's no money in the budget to produce new ones.

But there is talk of a few scattered new starts: A White House supported campaign on the importance of productivity; a Transportation Department drive to increase seat belt use (rather than require automatic air bags). Many of these small accounts have been a source of business for agencies both in and out of Washington.

Some of the government's longest running public service campaigns are managed by the Advertising Council, and are awarded to the council by the government without competitive bids. The council, which first took on government assignments as an ad industry public service during World War II, supplies the government with volunteer agencies that provide creative services at no cost. The government pays for production and distribution costs.

The Ad Council reported it received $1.3 million in 1981 for its government campaigns.

Agency changes among the major government accounts are rare. In competitive bidding this year, Uniworld, Washington, unseated Henry J. Kaufman & Associates, Washington, on the Coast Guard account. The Navy consolidated a minority recruiting assignment at Bates, dropping Burrell Advertising, Chicago, from its agency roster last year.

The Marine Corps, conducting a competition this year, is expected to retain JWT, the long-time incumbent, on its account. Regularly scheduled competitions are likely next year on the National Guard (Needham) and military recruitment joint advertising (Grey) accounts.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$8,796,600	$7,287,200
Magazines	17,048,000	18,716,700
Farm publications	2,252,900	761,000
Spot tv	6,996,500	5,867,500
Network tv	26,572,500	18,495,300
Spot radio	9,066,300	12,708,200
Network radio	7,293,900	5,249,700
Outdoor	920,400	877,000
Total measured	78,951,100	67,062,100
Unmeasured	110,074,900	106,102,414
Estimated total	189,026,000	172,964,514

ADVERTISING EXPENDITURES*

	1981	1980
Newspapers	[illegible]	7,287,200
Magazine	19,314,000	26,604,165
Television†	—	33,486,621
Spot tv	8,139,000	—
Network tv	38,036,960	—
Cable	383,000	—
Radio†	—	15,957,900
Spot radio	9,478,901	—
Network radio	13,760,951	—
Outdoor	821,238	877,800
Total measured	86,284,908	84,213,476
Unmeasured	102,741,092†	90,351,036
Estimated total	189,026,000	174,864,641

*AA estimate. Includes at least $18.2 million in ad funds spent by regional and local military recruiting commands, much of it in media; $6.6 million for direct mail; $13 million for production of ads for paid and public service use, and other amounts for agency fees, preparation and printing of posters, brochures, displays, transit and outdoor materials, unmeasured local (including military installations) publications, plus college, school, and other institutional publications.

†Network/spot split for 1980 not available.

DEFENSE DEPARTMENT

ADVERTISING PERSONNEL

Lawrence J. Korb, asst secretary for manpower, reserve affairs and logistics
G. Thomas Sicilia, director of accession (recruiting) policy

U.S. Army/Army Reserve

Harry D. Walters, asst secretary for manpower and reserve affairs
Maj. Gen. M. R. Thurman, deputy chief of staff for personnel
Maj. Gen. Howard G. Crowell Jr., commanding general, U.S. Army recruiting command
Col. William S. Graf, director-advertising & sales promo, U.S. Army recruiting command.

U.S. Army ROTC

Maj. Gen. Robert A. Sullivan, deputy chief of staff of ROTC, U.S. Army Training and Doctrine Command
Col. Michael C. Schmidtman, chief-adv and media div

U.S. Navy

Capt. Charles D. Hawkins Jr., director of recruiting adv
Lt. Cmdr. Dugald L. Gillies, director of adv operations div

U.S. Marine Corps

Brig. Gen. C. E. Mundy Jr., director of personnel procurement div
Col. J. R. Ruffini, chief, mktg branch

U.S. Air Force

Brig. Gen. Winfield S. Harpe, commander, U. S. Air Force Recruiting Service
Col. Hubert C. Moore, director of adv and publicity

U.S. Coast Guard (under jurisdiction of Transportation Department)

Capt. Stevens Smith, chief, recruiting div
Lcdr. Charles Winfrey, chief, recruiting adv branch

Joint Recruiting Advertising Program

Capt. C. D. Hawkins Jr., USN, exec director
Lynn Lucchetti, director
Maj. Yolan J. Laporte, USAF, chief
Maj. George B. Morton Jr., USA, financial mgmt officer
Capt. Clifton E. Little, USMC, program adv mgr

Army/Air National

Maj. Peter Wyro, chief, adv support center

ADVERTISING AGENCIES

N W Ayer Inc., New York—Army, Army Reserve, Army ROTC.

Lockhart & Pettus, New York—Army minority recruiting—Keith Lockhardt, mgmt rep.

Sosa & Associates, San Antonio—Army minority recruiting—Lionel Sosa, president.

J.P. Martin Associates, New York—Army ROTC minority recruiting—Joel P. Martin, president.

Ted Bates & Co., New York—Navy—Lou Martinaitis, mgmt rep; Jack Costello, acct director.

J. Walter Thompson USA, Washington—Marines—John R. Wood, mgmt super.

D'Arcy-MacManus & Masius, New York—Air Force—Douglas Laughlin, acct super.

Uniworld Group, Washington—Coast Guard—Jack Guerin, president.

Grey Advertising, New York—Joint Advertising Recruiting Program—John G. Marder, mgmt rep; Harvey Robinson, mgmt super; Gary Niebauer, mgmt super; Sherman Landwehr, senior acct exec/mgr admin budget; Len Susman, mgmt acct super.

Needham, Harper & Steers, Washington—Army/Air Guard—James R. Williams, mgmt rep.

U.S POSTAL SERVICE

ADVERTISING PERSONNEL

Gordon Morison, asst postmaster general/customer services
John Wargo, director of commercial mktg
Gary Stevens, mgr-adv services branch
Larry McCarthy, adv admin manager

ADVERTISING AGENCY

Young & Rubicam, New York—Fred Baxter, mgmt super.

AMTRAK

ADVERTISING PERSONNEL

William S. Norman, vp-mktg & corp planning
Robert E. Gall, vp-transportation mktg
William Castleberry, director of adv

ADVERTISING AGENCY

Needham, Harper & Steers, New York—John Gellatly, mgmt rep.

PUBLIC BROADCASTING SERVICE

ADVERTISING PERSONNEL

Neil B. Mahrer, senior vp-mktg and information services
Dan Agan, director of mktg and information services

ADVERTISING AGENCY

Goldberg/Marchesano & Associates, Washington—Blair Bartlett, acct exec.

Volkswagen of America

	1981	1980
Sales*	$16,118,505,500	$18,390,000,000
Earnings*	57,968,700	177,300,000
Advertising**	81,000,000	70,000,000

*Volkswagen Group, worldwide
**AA estimate

Volkswagen of America, Warren, Mich., a subsidiary of Volkswagenwerk AG, Wolfsburg, West Germany, increased its advertising spending in 1981 by 16% to $81 million, making it the 67th largest national advertiser.

The parent company's sales for 1981 were $16.1 billion, compared with $18.4 billion in 1980. Earnings plummeted 67% to $58 million from $177.3 million as a result of a number of factors. These included varying trends in individual markets; strengthening of international competition; the depressed state of auto sales in South America, and losses in the Triumph Adler office equipment subsidiary. Substantial investment costs for new product lines and costs associated with modernization of plants also accounted for declines in the company's 1981 results.

Volkswagen of America last year saw sales decrease to 272,412 units from 293,595 in 1980. The line last year included domestically produced Rabbits and pickup trucks, Rabbit convertibles, Jettas, Dashers, Sciroccos and Vanagons. Its 1982 line features a restyled Scirocco and a new flagship model, the Quantum, which replaces the Dasher.

Volkswagen also introduced limited edition Rabbits and pickups and Vanagon GLs and announced a price rollback of up to $625 on Rabbit, pickup and Jetta models.

In order to stem its declining fortunes in the U.S., VW has turned away from a policy that for some years saw the company striving to project itself as a domestic car company. The company this year undertook a reorganization in the U.S. that, among other things, is designed to reestablish its image as a German car maker.

Concurrent with the strategy shift was the formation of a new Volkswagen division, headed by James R. Fuller, formerly vp in charge of the Porsche-Audi division.

In a recent interview, Mr. Fuller reinforced the company's redirection when he observed, "We're a German company that happens to build cars in the U.S."

The company's current advertising emphasis focuses on its imported cars—the Jetta, Quantum and Scirocco. It is designed to capitalize on a segment that in the U.S. market is stronger than the economy car segment.

Although the division plans to continue promoting the Rabbit along with the price reduction that has been in force for four months, the goal of its new campaign is to stress that the U.S.-produced Rabbit has the same personality as cars built in Germany.

In addition, a divisional position is gradually emerging that will be more brand-oriented than model-oriented. Also a major goal of the effort is to present VW autos as providing all-around performance, not simply fuel economy.

For the first five months of 1982, sales of domestically produced Rabbits dropped to 38,311, compared with 72,775 for the same period last year. As a group, imported Volkswagens had unit sales of 26,709 for the first five months of 1982, a decrease from 37,785 units for the same period in 1981.

Porsche-Audi division sales for the first five months of 1982 showed Audi at 18,492, compared with 20,221 for the 1981 period, and Porsche with 5,569 units sold, compared with 4,919 in the same period a year earlier. In 1981, Porsche sales increased to 11,241 from 10,490 in 1980. Audi sales also increased to 50,817 from 42,483 in 1980.

When the 1983 model launch occurs this fall, VW plans to place additional emphasis on the Rabbit.

The Rabbit line will be bolstered with a new model, which is expected to be the GTi, a performance model now available in Europe.

Volkswagen's 1982 models were introduced in late October of last year. Support included network and spot tv, in addition to magazine spreads. Tv commercials pointed out VW's high technology features by using the umbrella theme, "Nothing else is a Volkswagen." And because research indicated that VW meant technology, the company keyed on that in ads.

While the campaign registered outstanding research scores, by early spring of this year it became apparent that too many car advertisers were relying on technology as their ad focus. To break away from the pack, VW returned to advertising that once again restored the personality of VW cars.

To encourage increased local spending on the part of its dealers, the company established a new advertising matching fund with contributions from the national budget going to local market areas.

In the last quarter of 1981 and the first quarter of 1982, the Porsche-Audi division celebrated 50 years of front-wheel drive for Audi vehicles. The anniversary was promoted through tv and magazine ads, along with major market newspaper ads.

Two major advertising introductions for the Audi line in 1982 were for the 1983 Audi 5000 turbo diesel and the 1983 Audi Quanttro. German engineering, luxury and innovative styling are embodied in both models. The campaigns involved network tv, radio, newspapers and national magazines.

Porsche national advertising continued with the technical paper series for the 924, 911 and 928 models. The introduction of the newest Porsche, the 944, broke last spring via network tv, magazines, cable tv, radio and newspapers. The ads invited potential buyers to test drive the new model.

According to Leading National Advertisers, VW invested slightly more than $20 million to advertise its Rabbit line in 1981. The figure was more than $4 million above the 1980 ad spending level. LNA totals for other models in 1981: Audi, $11.6 million; Jetta $7.9 million; Scirocco, $1.5 million; VW trucks, $4.5 million; Porsche, $6 million, and Vanagon, just over $1 million. In addition, $2.5 million went for general promotion, plus $4.2 million for VW passenger cars.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$8,982,800	$4,949,400
Magazines	24,473,500	21,708,000
Spot tv	13,148,400	12,953,600
Network tv	21,225,100	19,434,700
Spot radio	605,900	94,800
Outdoor	543,000	579,200
Total measured	68,978,700	59,720,300
Unmeasured	12,021,300	10,279,700
Estimated total	81,000,000	70,000,000

MARKETING PERSONNEL

James Fuller, vp-VW div
Charles Hughes, mgr-VW mktg
John Slaven, director-VW adv
Peter Fisher, vp-P/A div
Richard Weidman, mgr-P/A mktg
George Pizzo, VW adv super
Marvin Gruber, mgr-Porsche & Audi adv
James Lawler, adv mgr-Porsche & Audi

ADVERTISING AGENCY

Doyle Dane Bernbach, New York—Robert Rees, exec vp; Robert Dunn, senior vp-group mgmt super; Al Steiner, vp-acct super, VW; Robert Burden, senior vp-mgmt super, Porsche & Audi; Sal Triano, vp-acct super, P&A; Ron Balquiere, vp-mgmt super, VW and P/A.

Hiram Walker Resources Ltd.

	1981	1980
Sales*	$2,945,300,000	$2,563,400,000
Earnings*	250,100,000	239,500,000
Advertising**	42,283,000	31,863,600

*Fiscal year ends Sept. 30
**AA estimate

Hiram Walker Resources Ltd., Toronto, Ont., the 95th largest national advertiser, raised advertising expenditures to $42.3 million in 1981, a 32.7% increase over 1980.

In a year of high interest rates, inflation, declining sales volume for distilled spirits, reduced mining income and the acquisition costs of oil and gas properties, Hiram Walker's sales increased by 14.8% and earnings advanced 4.4% over 1980 levels.

Hiram Walker Resources Ltd. is a holding company, formed in 1980, that owns Hiram Walker-Gooderham & Worts Ltd., Home Oil Co. Ltd. and Consumers' Gas Co. Ltd.

The natural resource segment, Home Oil, was expanded in 1981, leading to substantial acquisitions of gas and oil properties from the Davis Oil Co. (the $737 million worth of properties are primarily in Wyoming, Oklahoma, Louisiana and Texas), resulting in Hiram Walker's owning 1.8 million net acres, making it the largest Canadian holder of U.S. exploration and production acreage. The company's natural resource assets are about evenly divided between the U.S. and Canada.

In 1981, Hiram Walker's total assets were broken down this way: Forty-three per cent in natural resources, 31% in distilled spirits and 26% in gas utility. This compares with 1980 figures of 30%, 40% and 30%, respectively.

Earnings for 1981 are not completely comparable with those of 1980, as the Home Oil Co. results were only consolidated for nine months in 1980.

However, while sales from natural resources increased 32.6%, from $112.5 million in 1980 to $149.2 million in 1981, earnings dropped 10%, from $92.1 million in 1980 to $82.9 million.

Earnings from distilled spirits advanced 4.8% in 1981, up from $250.9 million in 1980 to $263.1 million, on sales of $211.5 million, up 6.8% from $198 million in 1980.

The greatest increase in Hiram Walker earnings came from a gas utility, Consumers' Gas, with an 18.4% jump from $90.7 million to $107.4 million in 1981.

Hiram Walker announced net income of $96.4 million for the six months period ended March 31, 1982, a 35% decline from $148.7 million for the same period in 1981. Funds from operations for the first six months show an 11% increase to $271.3 million from $244.2 million for the same period in 1981.

In the six months period ending March 31, Consumers' Gas earnings increased due to the cold winter and more customers, distilled spirits earnings declined because of lower sales volume and depressed economic conditions, and Home Oil earnings were down due to higher taxes and reduced demand for oil.

As one of the world's largest distillers, Hiram Walker manufactures products in Canada, the U.S., Scotland, France, Mexico and Argentina.

Hiram Walker markets more than 100 of its own liquor brands worldwide and acts as an agent for marketing additional international brands. The U.S. accounts for 58% of sales, Europe 26% and Canada 16%.

Principal brand names sold in the U.S. are Canadian Club, Gooderham's Rich & Rare, Hiram Walker cordials and fruit flavored brandies, imported liqueurs (Praline, Drambuie, Tia Maria, Kahlua and Venetian Cream), Two Fingers tequila (White and Gold), Two Fingers Limitado, Ten High bourbon, Lauder's scotch, Ballantine's scotch, Old Smuggler scotch, Imperial Blended whisky, Walker's Deluxe bourbon, Walker's Northern Light Canadian, Royal Canadian, Hiram Walker's Crystal Palace gin and vodka, Booth's High and Dry gin, Courvoisier and Salignac cognacs, Hiram Walker's brandy and imported wines represented by Frederick Wildman & Sons Ltd.

In the U.S., W.A. Taylor & Co., Miami, a wholly owned subsidiary of Hiram Walker Resources, has responsibility for the importing and marketing of premium distilled spirits.

The Taylor Co. product line includes Courvoisier, brand leader in the cognac category; Drambuie, Tia Maria, Venetian Cream and Peter Heering, all imported liqueurs, with the first three among the top 10 best-selling brands in the category; Old Smuggler scotch, the sixth best-selling scotch in the U.S.; Booth's gin, the fifth highest-selling domestic gin; Laird's Applejack, the oldest distilled spirit in the U.S. and the leading brand of applejack/apple brandy, and Maker's Mark whisky, a premium bourbon.

Advertising expenditures for W.A. Taylor increased 11%, from $9 million to $10 million in fiscal 1981, which ended Aug. 31 of that year.

In the past decade, whisky's share of the distilled spirits market has declined from 65% to 49%, while nonwhiskies—vodka, rum and liqueurs—increased from 35% to 51%.

In the period from 1980 to 1981, in response to the growing market preference for white goods and liqueurs and the decrease in brown goods consumption, Hiram Walker made a substantial capital investment to restructure plant and distribution facilities.

In late 1981, construction was nearly completed on a $70 million plant at Fort Smith, Ark., to blend and bottle the popular liqueurs. The Fort Smith plant is to replace the liqueur bottling and blending operation that was closed—a fully integrated facility the company had in Peoria, Ill. The 1980 sale of the Peoria plant's distillery portion marked the end of Hiram Walker as a U.S. distiller.

Taking advantage of the shift in liquor preferences, Hiram Walker boosted 1981 advertising expenditures for cordials by 43.7% to $2.3 million from $1.6 million—all in magazines, except $3,000 outdoor. Maintaining leadership of America's cordial line with 35 brands, Hiram Walker recently added several new products to the growing Schnapps category: Cinnamon Schnapps, Spearmint Schnapps and a 90 proof Peppermint Schnapps.

Though the liquor industry remained flat, Hiram Walker continued to have a share of the top-selling brands—those selling 1 million or more cases. As a result of a 12% investment interest in the Bacardi group of companies,

Hiram Walker participated in the 10% growth of the rum market. In 1980 and 1981 Bacardi was the No. 1-selling liquor, with a 3% increase from 6.3 million cases sold in 1980 to 6.5 million cases sold in 1981.

Hiram Walker brandy sold 1.4 million cases in 1981, up 4% from the 1.3 million cases sold in 1980.

Walker's U.S. Kahlua sales position jumped from 25th to 18th (Kahlua is the largest-selling liqueur in Canada) with a 4% increase from 1.5 million cases sold in 1980 to 1.7 million in 1981. Advertising expenditures for Kahlua climbed 75% from $2 million in 1980 to $3.5 million in 1981— $2.8 million in magazines and $760,000 in outdoor.

Measured media expenditures for Praline liqueur increased 37% from $1 million in 1980 to $1.4 million in 1981, all in magazines.

In March, 1981, magazine ads for Praline were pitched around the broadcast restrictions placed on the liquor industry. A toll-free number gave callers a musical response for party themes and recipes using Praline liqueur. The ads were placed in women's and life-style magazines via McCaffrey & McCall, New York.

Original Venetian Cream, introduced in 1980 by W.A. Taylor Co., was the beneficiary of a $1 million ad campaign via J. Walter Thompson USA, New York, in November and December.

This compares with the budgets of other entries in this hot liqueur category—$2 million Christmas budget for category leader Baileys Irish Cream and $1.7 million spent in the last quarter of 1980 by Renfield Importers for its Carolans.

While the time-consuming process of combining alcohol and cream in a single bottle has held sales volume down in the past, *Impact*, a liquor industry newsletter, reported 1980 case sales at 353,000, up from 17,000 cases sold in 1979.

Impact estimates 1981 case sales of well over 1 million, and estimated sales of 1.6 million cases in 1982. Baileys is expected to continue as the far and away front-runner, with 58% of the market, while Venetian Cream holds an estimated 6% market share in 1981 and 1982. Carolans had an 11% share in 1980 and 6% in 1981.

Measured media expenditures in 1981 for Venetian Cream totaled $956,000, with $796,000 in magazines, $48,000 in newspaper supplements and $111,000 outdoor.

Tia Maria media expenditures escalated 36% to $2.6 million from $1.9 million in 1980, with $2.3 million in magazines and $289,000 outdoor.

Drambuie media outlay was $1.9 million in magazines, $99,000 in newspaper supplements and $140,000 in outdoor, for a total of $2.1 million, up 17% from $1.8 million in 1980.

Peter Heering liqueur media expenditures dropped from $197,000 in 1980 to $144,000 in 1981.

In 1982, a new campaign was introduced for Canadian Club, one of Hiram Walker's best known brands and the subject of the much publicized "find the case" promotions held in different locations throughout the country. The new campaign describes CC as right for the 1980s, upscale and prestigious. The ads focus on those special moments when "Only the best will do." The campaign uses research findings that show consumers see CC as a premium whisky. All ads bear the signature "Canadian Club. The best in the house."

While Canadian Club decreased 3% in case sales, from 3.8 million in 1980 to 3.7 million in 1981, it remained the fourth-largest selling liquor brand in the U.S. (Canadian Club is the largest-selling brand in Canada.)

Media expenditures for Canadian Club increased by 30% in 1981 from $8.7 million in 1980 to $11.3 million—$7.5 million in magazines and $3.8 million in outdoor.

Two Fingers tequila media expenditures dropped in 1981 from $565,000 in 1980 to $423,000. Magazine accounted for $307,000 and outdoor $115,000. A pinup-type poster offer generated thousands of requests from the 18-to-24 target audience.

Royal Canadian, the No. 1-selling brand of Canadian whisky in Michigan, is being expanded to Ohio, Pennsylvania, Oregon and Washington. Media expenditures went from $341,000 in 1980 to $476,000 in 1981—$356,000 in outdoor and $120,000 in magazines.

Lauder's scotch is one of the fastest growing bottled-in-U.S. scotches. Along with Old Smuggler scotch, which jumped 45% in cases sold in 1981 over 1980, Lauder's is one of the few scotch whiskies to show growth in the category.

Media expenditures for Lauder's went from $570,000 in 1980 to $644,000 in 1981, up 13%—magazine received $382,000 and outdoor got $262,000.

Walker's Imperial blended whisky and Ten High straight bourbon whisky were 30th and 21st, respectively in 1981 sales of top liquor brands. Ten High dropped from 1.6 million cases sold in 1980 to 1.5 million in 1981. Imperial decreased from 1.1 million cases in 1980 to 1 million in 1981.

In 1981, Hiram Walker purchased Callaway Vineyard & Winery, Rancho California, Cal. Significant national expansion is planned in about two years for the brand, which is currently limited to West Coast distribution.

In major personnel moves, H. Clifford Hatch Sr. assumed the responsibilities of president and chief executive officer of Hiram Walker Resources Ltd. earlier this year. Mr. Hatch remains chairman, while W.P. Wilder moves into the newly created position of deputy chairman and continues as a member of the board as well as chairman of the Consumers' Gas Co.

Meanwhile, in early 1982, Hiram Walker Distributing Co. of Des Plaines, Ill., paid a $20,000 fine in order to settle a charge made by the Federal Bureau of Alcohol, Tobacco & Firearms for illegal payments to underwrite newspaper advertising for Foremost Sales Promotions, Chicago.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$2,084,300	$2,626,800
Magazines	23,230,400	17,572,400
Spot tv	82,000	—
Outdoor	7,128,700	5,109,700
Total measured	32,525,400	25,308,900
Unmeasured	9,757,600	6,554,700
Estimated total	42,283,000	31,863,600

ADVERTISING, MARKETING AND SALES PERSONNEL

Orval R. Crabbe, president
Stephen Nadelberg, vp-mktg director
Gerard C. Gianni, vp-natl sales mgr
William R. Buesching, vp-natl cordial mgr
A.R. Krueger, vp and sales director-natl accts
Bob Thomas, mkt devel mgr
Alan Abrams, brand mgr, CC and all other noncordial brands
Sandra Weisenauer, brand mgr, cordials
Gerald Simpson, director of mktg services
Douglas H. Wright, mktg services mgr
Harvey E. Schwartz, vp-eastern region mgr
Ronald W. Kern, metro N.Y. mgr
Gerald J. Varno, vp-southeastern div mgr
James D. Bailey, vp-southwestern div mgr
H.F. Jacques, asst southwestern div mgr
John M. Schaeffer, senior vp-midwestern region mgr
Edward J. Grossman, metro Chicago div mgr
Armistead Ellis, vp-western div mgr
Jules J. Sullivan Jr., vp-control states sales mgr
Robert L. Norbeck, eastern control states sales mgr
Frank E. Blanchard, western div control states sales mgr

ADVERTISING AGENCIES

Lockhart & Pettus, New York—Canadian Club, Amaretto, cognac—Keith E. Lockhart, president; Theodore D. Pettus, exec vp-creative director; Ronald D. Harris, vp-director of client services; Sharman Davis, media director.

McCaffrey & McCall, New York—Canadian Club, Hiram Walker cordials and fruit flavored brandies, Praline liqueur, Hiram Walker brandy—Norman S. Freedman, mgmt super; William A. Metzger, acct super; Lisa J. Donati, acct exec.

Simons Michelson Zieve, Troy, Mich.—Two Fingers tequila, Ten High bourbon, Lauder's scotch, Imperial blended whisky, Walker's DeLuxe bourbon, Walker's Northern Light Canadian, Royal Canadian, Hiram Walker's Crystal Palace gin, Hiram Walker's Crystal Palace vodka—James A. Michelson, president; Donald C. Hart, acct exec.

Sosa & Associates, San Antonio, Tex., —Canadian Club—Lionel Sosa, president; Bernadette A. Brusco, vp.

W.A. TAYLOR & CO.

MARKETING AND SALES PERSONNEL

James Murphy, president
Jim Eng, vp-admin
Ron Robillard, mktg mgr
Raul Marmol, adv coordinator
Paul Bermudez, sales promo mgr
Denise Conway, pr coordinator
Tom Howell, vp-eastern region mgr
John Harcarufka, vp-southern region mgr
Lou Di Venuta, central region mgr
Frank Dell'Omo, senior vp-western region mgr
Nick Stone, control states region mgr

ADVERTISING AGENCIES

Doe-Anderson, Louisville, Ky.—Maker's Mark—Jim Lindsey, Susan Duffy, Susan Wagner.

J. Walter Thompson USA, New York—Courvoisier, Drambuie, Tia Maria, Peter Heering, Venetian Cream, Old Smuggler, Booth's gin, Laird's scotch—Peter Schweitzer, group acct dir; Tom Burke, mgmt super; Gert Schuler, senior acct dir.

Warner Communications

	1981	1980
Sales	$3,237,153,000	$2,059,414,000
Earnings	226,493,000	137,091,000
Advertising*	159,000,000	82,326,000

*AA estimate

Warner Communications, New York, the 37th largest national advertiser increased its advertising by a whopping 93.1% over 1980 to an estimated $159 million in 1981.

The major share of increases in advertising spending came from Warner's consumer electronics division, which includes Atari Inc. However, a substantial amount was also devoted to the release of major films, including "Arthur," "Outland," "Sharkey's Machine," "Superman II" and "Rollover."

The company reported that worldwide advertising spending more than doubled to $364.4 million in 1981, from $179.7 million in 1980.

Revenues for the year increased by 57.3% to $3.24 billion from $2.06 billion in 1980. Operating income jumped by 65.2% to $226.5 million from $137.1 million in 1980.

The pace continued into 1982, as net income during the first six months of 1982 jumped by 58.6% to $146.1 million from $92.1 million a year earlier. Revenue showed a 43.7% gain to $1.84 billion in the first six months from $1.28 billion over the same period in 1980. The record results were largely the result of the consumer electronics division, led by Atari, which nearly tripled its operating profit to $111.8 million from its 1981 level.

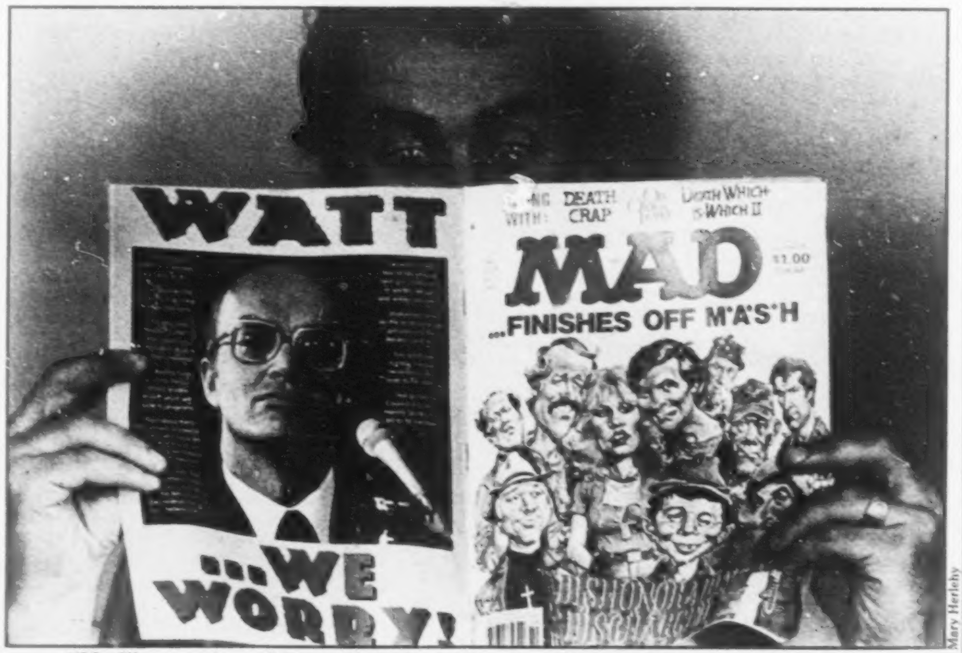
The dramatic revenues in 1981 also came from the consumer games divisions, but the newly acquired Franklin Mint contributed substantially as well. By contrast, the traditionally strong recorded music and music publishing division showed only modest increases. Also the filmed entertainment division bounced back from a dismal 1980 performance to record all-time high revenues of $755.2 million.

For the second year, the revenues of the consumer electronics division, led by the runaway success of Atari, doubled to reach $1.23 billion. Net income more than quadrupled to $286.6 million. Atari's consumer and coin-operated videogames were the major reasons these gains were recorded. Not surprisingly, the advertising support given to Atari rose spectacularly. Measured media spending for the entire division amounted to $27.9 million. Of this amount, $20.3 million went to network tv, while $3.9 million went to spot tv. The company expects this expenditure to more than double in 1982.

Warner said Atari's Video Computer System (VCS) game hardware units and home computers were completely sold out at retail in 1981. However, the company's ability to produce cartridges was strained throughout the year as software sales to both new hardware buyers and old owners rose more rapidly than expected.

In response to the problem, the company expects to increase software capacity at both its El Paso, Tex., and Fajardo, P.R., plants. Some of the software demand problem might also be met by other companies that have begun to manufacture compatible cartridges. In fact, the company sees this development as a further stimulant to hardware sales.

Atari expects to introduce 12 new cartridges during 1982—one a month. Included in this are the home version of "Pac-Man," a game that has already won phenomenal acceptance in the coin-operated area, "Defender," "Berzerk" and "Super Breakout."



"Mad" magazine adds a satirical touch to the Warner Communications family.

Mary Herlehy

Bright spot in the nation's sunbelt.

Raleigh Durham

•Rankings
77 METRO
59 NEWSPAPER MARKET
Source: S&MM Survey of Buying Power, Part II 1981
38 ADI
Source: Circulation '81/'82

•Unemployment
4.4% RALEIGH/DURHAM
9.2% NORTH CAROLINA
9.8% UNITED STATES
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The company says the introduction of all these games is being supported by heavy national tv advertising. By the end of 1981, Atari's two best-selling cartridges had shipped amounts in excess of 70% of all the vcs units ever sold. By the end of 1981, Atari had shipped more than 1 million units of 13 different cartridges.

Atari's coin-operated videogames division also had a record year with best-sellers being "Centipede," "Tempest" and "Deluxe Asteroids." However, none could match the spectacular success of "Asteroids" in 1980. The division's growth has been built entirely on internally developed products until now, but in 1982, it is beginning to selectively license games from outside developers.

The year 1981 also saw the emergence of Atari's home computers, which were backed by extensive advertising. The measured media spending of the division amounted to $4.7 million and was equally distributed among magazines, national and spot tv.

In May, the Atari 400 was packaged for the mass market, and its price was lowered. The result, Atari noted, was a product that sold itself at retail with little or no instore demonstration. Late in 1981, the Atari 800 was also packaged for the mass market, with similar cost savings allowing its price to be lowered.

To aid in the computer sales, Atari also established the Atari Program Exchange (APX) in Sunnyvale, Cal., and Cambridge, Mass. The company expects to add a few more in 1982. These exchanges make Atari computers available and provide training to programers in order to allow them to develop more effective home computer programs.

Beyond electronics, Warner in March, 1981, acquired Franklin Mint for nearly $220 million in securities and cash. One of the largest direct response marketing companies in the world, Franklin Mint generated $359.4 million in revenues for Warner and net earnings of $30.9 million in 1981. During the year, Franklin Mint offered more than 230 items, which were supported by more than $110 million in advertising and promotion. The measured media spending for the division, including Franklin Library, was $19.2 million.

Of the various product lines marketed by Franklin Mint, porcelain collectibles were the largest. Popular porcelain offerings included collections of miniature vases, hand-painted sculptures, series of theme-oriented thimbles and plate collections depicting woodland animals and flowers.

In the movie front, 1981 was a mixed year. The revenues of the filmed entertainment division bounced back after a dismal 1980, but operating income continued to decline. The division's income of $24.8 million was only 40% of the 1980 earnings of $60.8 million.

Warner Bros., the principal operating subsidiary of Warner Communications in the field of motion pictures and television, released 18 feature films in 1981. Of these "Superman II" generated worldwide rentals in excess of $96 million; "Any Which Way You Can" earned rentals of approximately $34 million, and "Excalibur" earned more than $23 million. "Private Benjamin," "The Shining," "Altered States" and "Outland" also fared well.

However, there were some releases that did not fare so well. These included "Wolfen," "Under The Rainbow," "Looker," "So Fine," "Rollover," "Sphinx" and "The Hand."

The motion pictures did not lack for advertising support. The measured media spending amounted to $30.0 million, most of which was concentrated on network and local television.

Warner expects two 1981 releases to have a positive impact on 1982 results: "Chariots of Fire," which won seven Academy Awards, including best picture, and "Sharkey's Machine."

It also has a strong lineup of new releases for 1982. They include "Firefox," starring Clint Eastwood; Woody Allen's "A Midsummer Night's Sex Comedy"; "The World According to Garp," and Norman Jewison's "Best Friends," starring Goldie Hawn and Burt Reynolds.

Despite the mixed results in the U.S., international revenues reached a record high for Warner in 1981. The total of $139.9 million was helped by the worldwide success of "Superman II," "Private Benjamin," "Excalibur," and the foreign-only release of "Supersnooper," a coproduction with Columbia Pictures Industries.

With the rapid expansion of cable tv and the pay television field and an increased demand for product by conventional tv, Warner Bros' library of feature films has taken on additional value. As of Dec. 31, 1981, Warner Bros. had approximately $371 million of signed contracts for lease of feature films, cartoon programs, syndicated series and "made-for-tv" movies to pay television and tv. This will be recorded as revenue in 1982 and beyond.

Last year was also a good year for Warner's television programming. It produced two of the top 10 series on tv—"The Dukes of Hazzard" and "Alice"—both on CBS. Other shows that made their debut in 1981 included "Bret Maverick," "Private Benjamin," and "Love, Sidney." Warner Bros. Television has 31 films and miniseries in advanced stages of development, including nine hours of "The Thorn Birds."

Warner's traditional area of strength—its recorded music and music publishing division—had alltime high revenues of $811.3 million in 1981, slightly ahead of the $805.7 million in 1980. Operating income increased only slightly, from $82.9 million in 1980 to $85.0 million in 1981.

Warner said its WCI label, traditionally the industry leader in rock music, has also become a strong force in black music, country music and jazz, as illustrated by *Billboard's* year's end album charts. WCI releases led the industry with 29% of the top-selling records in 1981. Among the most popular records were albums by AC/DC, Foreigner, the Rolling Stones and Stevie Nicks. Other artists, including Eddie Rabbitt, Grover Washington Jr., Steve Winwood, Phil Collins, Genesis and Al Jarreau, also had extremely successful years.

In spite of its relatively successful year, Warner remains concerned about the proliferation of home taping and its impact on revenues. WCI research indicates that American consumers bought 250 million blank tapes to record copyrighted music material. The value of this copyright material was estimated to be in excess of $2.8 billion at retail. The record division's measured media spending came to $379,900, most of which was placed in magazines.

Meanwhile, even though total revenue figures do not reflect major gains for Warner's cable communications division—it had revenues of $177.2 million and no operating income—the year was a significant one for its joint venture with American Express. Indeed, both Warner Amex Cable Communications (Warner Amex), the operator of cable systems, and Warner Amex Satellite Entertainment Co. (WASEC), a producer and supplier of satellite-distributed programing for cable, had good years.

The number of Warner Amex cable system subscribers increased by nearly 128,000 to 860,000, and total pay subscriptions doubled to 545,000. With the addition of 26 franchises, the number of homes under franchise grew by 675,000 to 3.4 million—a 91% increase in two years. There has also been a rapid expansion of Qube, Warner's two-way interactive cable system. First launched in Columbus, O., Qube has now been installed in Warner Amex cable systems in Cincinnati, Pittsburgh, Dallas and Houston. Qube has been an advantage to Warner Amex' franchise struggles and has given it a strong edge in close franchise contests.

The Qube system opens up a multitude of uses for cable. A Qube subscriber can respond to multiple choice queries, indicate specific preferences or even ask for additional data when needed. Every few seconds a master computer scans the user homes and tallies the responses.

Warner-Amex has used Qube for exotic as well as mundane purposes. It has been used for choreographing dances, videogames, scoring boxing bouts, calling football plays. It has also been used for electronic funds transfers, fire and security alarms, shopping at home and video newspaper delivery.

For WASEC, 1981 was a year of consolidating old product lines and offering new ones. Both "Nickelodeon" and "The Movie Channel" registered strong subscriber increases. "Nickelodeon," a channel designed specifically for children and young adults, increased its audience by 136% to 6.3 million subscribers in 1981. "The Movie Channel," the first pay channel offering filmed entertainment on a 24-hour basis, had 1.7 million subscribers, nearly nine times its subscriber total of 1980.

In August, WASEC launched a contemporary video/music network called MTV: MusicTelevision after a year of planning. MTV was launched with about 30% of its national ad availabilities sold.

Among those buying spots were Majestic school binders, Dolby Labs, Atari, Warner-Lambert, Gap Stores, Jovan, Warner Bros., 20th Century-Fox, Universal Pictures, Avco Embassy and United Artists. At the end of 1981, MTV was being provided to nearly 2.5 million subscribers.

The publishing division's revenues of $84.2 million were its best ever, up 17% for 1980, while operating income of $14.9 million was second only to 1979's record results.

In its second year as a hardcover publisher, Warner placed three titles on the national best-seller list: Richard Simmons' "Never Say Diet"; Andrew Greeley's "The Cardinal Sins," and Jackie Collins' "Chances." "Never Say Diet" sold more than 500,000 copies and was on the nonfiction best-seller list for over a year.

It was also a year of revenue increases for DC Comics, buoyed by the licensing fees from "Superman II." For Warner Books, the total measured media spending for the year amounted to $553,400.

Warner Cosmetics had substantial sales growth in 1981 as a new three-part cosmetics line was successfully introduced. However, the heavy expenses associated with the development and introduction of new product lines precluded any profit for 1981.

Each of Warner's fragrance lines had increased 1981 sales. Polo ranked among the top five women's fragrances. Chaps was rated No. 4 among popularly priced men's fragrances. The company spent $3.5 million in measured advertising for Chaps, mostly on network tv; $332,300

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KNOW THY COMPETITION

See page 125

LNA

for Lauren, and $424,500 for Polo.

In 1982, the company entered the popularly price women's fragrance market with Vanderbilt, developed in conjunction with Gloria Vanderbilt and the Murjani Co. To promote and advertise Vanderbilt, Warner is expected to spend $9 million in 1982.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$13,324,000	$1,728,300
Magazines	21,001,700	3,859,500
Spot tv	16,193,500	9,352,500
Network tv	47,510,300	31,431,600
Spot radio	958,600	2,405,800
Network radio	163,500	20,800
Outdoor	78,900	306,000
Total measured	99,230,500	49,104,500
Unmeasured	59,769,500	33,221,500
Estimated total	159,000,000	82,326,000

WARNER BROS.

MARKETING PERSONNEL

Sandy Reisenbach, exec vp-worldwide adv & publicity
Rick Kallet, director-co-op adv
Joe Hyams, vp-publicity
Mardi Marans, vp & director of media

ADVERTISING AGENCY

Grey Advertising, New York—Don Foley, mgmt super; Len Fogge, acct super; Frank Pelligrino, acct exec.

WARNER BROS. TELEVISION

MARKETING PERSONNEL

Marsha Greenberg, mgr-adv & publicity
David Horowitz, vp-adv, publicity & promo, Los Angeles
Gordon Hellman, vp-adv, publicity & promo, tv distribution

ADVERTISING AGENCY

Jameson Advertising, New York—Lloyd Miller, exec vp-creative director.

WARNER BROS. RECORDS

MARKETING PERSONNEL

Lou Dennis, vp-sales
Russ Thyret, senior vp-mktg
Tom Draper, vp-black music
Andrew Wickham, vp-director of country music
Sophie Beauvy, adv director
Adams Somers, vp-creative services & operations
Pete Johnson, vp-creative director of adv
Howard Rosen, vp-promo

ADVERTISING AGENCY

Burbank Agency, inhouse—Sophie Beauvy, director of adv; Suzette Mahr, natl adv mgr.

ELEKTRA/ASYLUM RECORDS

MARKETING PERSONNEL

Vic Faraci, exec vp-director of mktg
Lou Maglia, vp-sales
Randy Edwards, natl adv director
Dave Cline, natl sales mgr

ADVERTISING AGENCIES

William S.Advertising (inhouse)—Randy Edwards, natl adv director, Pam Moss, natl adv coordinator.

Ed Libov & Associates—media buying—Nancy K. Swanson, vp-director of client services.

ATLANTIC RECORDS

MARKETING PERSONNEL

David Glew, exec vp-genl mgr
Mark Schulman, vp-adv
George Salovich, vp-director merch

ADVERTISING AGENCY

East/West Advertising (inhouse)—Marsha Green, media director.

ATARI INC.

MARKETING PERSONNEL

Perry Odak, president-consumer operations
Michael Moone, president-consumer electronics division
Ted Voss, senior vp-mktg and adv
Don Osborne, vp-sales & mktg
Mariann Layne, mgr-mktg services
Ron Stingari, vp-marketing
Jan Soderstrom, vp-corp adv
Tom McDonough, senior vp-mktg & sales
Keith Schaefer, vp-sales
Andy Leonard, mgr adv, home computers
Helen Gray, vp-corporate communications

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—David Sklaver, vp-mgmt super; Martin Hummel, acct super; Jeff Andrews, Deborah Goldman, Scott Marshall, Jill Thurber, acct execs; Alexa Cullman, Diane Stewart, asst acct execs.

Young & Rubicam, New York—Garth Anderson, Jim Hood, acct supers; Don Jackson, Cathy McCarthy, acct execs.

WARNER AMEX CABLE

MARKETING PERSONNEL

Rupert Walters, exec vp-mktg
Edward Carter, senior vp-sales & mktg

ADVERTISING AGENCY

Ogilvy & Mather, Houston—Michelle Tremblay, acct exec.

Ogilvy & Mather, New York—Adam Carter, acct exec.

Wunderman, Ricotta & Klein, New York—direct mail—Bob Desena, acct super.

WARNER AMEX SATELLITE ENTERTAINMENT

John Lack, exec vp
Robert McGroarty, senior vp-mktg & sales
Richard Guilmenot, vp-mktg
Gary Koester, vp-adv sales
Andrew Orgel, vp-regional operations
Sonya Suarez, vp-affiliate relations
Jordan Rost, vp-sales

ADVERTISING AGENCIES

LPG Pon, a subsidiary of Lois Pitts Gershon, New York—Dale Pon, president; Jean Satti, asst to president.

Scali, McCabe, Sloves, New York—Movie Channel, Nickleodeon, corporate adv—Patrick Hillman, vp-mgmt super, John Marchese, acct super, Ann Allerhand, acct exec, Susan Gordon, asst acct exec.

WARNER BOOKS

MARKETING PERSONNEL

Howard Kaminsky, president
Dorothy Crouch, vp-genl mgr
Bill Shinker, vp-mktg

ADVERTISING AGENCY

Publishers Advertising Associates (inhouse)—Mark Greenberg, president.

KNICKERBOCKER TOY

MARKETING PERSONNEL

Andy Gatto, senior vp, mktg & sales

ADVERTISING AGENCY

Berenter, Elgort & Greenhouse, New York—Bill Berenter, chairman-senior art director; Marty Greenhouse, copy writer; Allan Cohen, acct super; Carol Franklin, Phylllis Pacifico, art directors.

Ed Libov & Associates, New York—media buying—Anne Kennedy, vp-media planner.

MALIBU GRAND PRIX

MARKETING PERSONNEL

Robert Rockefeller, president-chief operating officer
Dave Bursteen, institutional sales director
Shari Goldman, promo coordinator
Craig Buckel, adv mgr
Helen McCarthy, art director

ADVERTISING AGENCY

American Promotions Group, New York—radio and tv—Larry O'Daly, president; Jane Lande, acct exec-radio.

WEA CORP.

MARKETING PERSONNEL

Robert Moering, director-mktg services
George Rosi, exec vp-sales
Skid Weiss, director-publicity
Barbara Burns, natl adv director
Alan Perper, director-prod mktg
Rosemary Pierce, natl adv coordinator
Hank Caldwell, vp-black music

ADVERTISING AGENCY

WEA Advertising (inhouse)—Barbara Burns, natl director of adv.

WEA INTERNATIONAL

MARKETING PERSONNEL

Manfred Bormann, vp-product admin
Jennifer Cohen, director of product devel

WARNER SPECIAL PRODUCTS

MARKETING PERSONNEL

Mickey Kapp, president
Tony Pipitone, vp-treasurer

WARNER BROS. MUSIC

MARKETING PERSONNEL

Chuck Kaye, chairman
Les Bider, chief financial officer

LICENSING CORP. OF AMERICA

MARKETING PERSONNEL

Robert Bell, exec vp
Murray Altchuler, vp mktg
Arnold Lewis, senior vp-sales

ADVERTISING AGENCY

Ferber, Janklow, Chimbel & Bender, New York—Nancy Gould, acct exec.

LADD CO.

MARKETING PERSONNEL

Ashley Boone, vp-distribution & mktg
Robert Dingilian, vp-adv, promo & publicity

PANAVISION

MARKETING PERSONNEL

Jac Holzman, chairman
Frank Vogelsang, vp

WARNER HOME VIDEO

MARKETING PERSONNEL

Mort Fink, president
Rand Bleimeister, natl sales mgr

FRANKLIN MINT

MARKETING PERSONNEL

Martin Breisblatt, vp-mktg, U.S.

ADVERTISING AGENCY

Frankiin Advertising, Franklin City, Pa.—in-house agency.

DC COMICS

MARKETING PERSONNEL

Jenette Kahn, president & publisher
Paul Levitz, vp-operations
Mary Moebus, licensing mgr

ADVERTISING AGENCY

Sanford Schwarz & Co., New York—Bernie Slotnik, adv rep.

MAD MAGAZINE

MARKETING PERSONNEL

William Gaines, president

WARNER PUBLISHER SERVICES

MARKETING PERSONNEL

Sol Himmelman, president
Pat Flaherty, vp-mktg

WARNER COSMETICS

MARKETING PERSONNEL

George Friedman, president
Robert J. Ruttenberg, exec vp
Paul Masturzo, senior vp-genl mgr
Roy Benjamin, senior vp-genl mgr
Andy Furlan, senior vp-genl mgr

NEW YORK COSMOS SOCCER

MARKETING PERSONNEL

Robert Rolontz, vp-communications
Tom Werblin, adv mgr
Marty Rotberg, vp-operations

ADVERTISING AGENCY

Keyes Martin Advertising Co., Springfield, N.J.—Jerry Nussbaum, senior vp; David Fogelson, acct exec.

WARNER THEATRE PRODUCTIONS

MARKETING PERSONNEL

Claire Nichtern, president

WCI CORPORATE

Peter D. Graves, director of corporate communication
Robert Rolontz, director of info
Jonas Halperin, director of intl communications

Warner-Lambert Co.

	1981	1980
Sales	$3,379,092,000	$3,479,207,000
Earnings	9,222,000	192,716,000
Advertising*	270,400,000	235,202,000

*AA estimate

Warner-Lambert Co., Morris Plains, N.J., the 12th largest national advertiser, increased its domestic advertising nearly 15% to an estimated $270.4 million in 1981.

Worldwide sales fell 3% to $3.38 billion, while earnings plummeted from $192.7 million to $9.2 million because of what the company said was "a negative impact from currency adjustments" and nonrecurring charges resulting from the implementation of the company's "strategic plan."

Sales in the first six months of 1982 totaled $1.65 billion, down 4.1% from $1.72 billion in the first half of 1981. First-half earnings rose to $90.8 million in 1982, a dramatic increase over the $57.7 million loss the company suffered in the first six months of 1981. Warner-Lambert reported a loss in the first quarter of 1981 after writing off $194.8 million before taxes. The writeoffs resulted from the company's restructuring, the sale of some product lines and the phaseout of a consumer products plant in Long Island City, N.Y.

In fact, as part of a strategic review of its operations, the company discontinued or disposed of several operations and reorganized and consolidated others.

Ward S. Hagan, chairman and chief executive officer, told securities analysts in mid-July that Warner-Lambert would experience double-digit growth for the year. Consumer products, he said, had shown "encouraging gains" during the second quarter after a slow start; prescription product sales were up 14% for the first six months, as were international sales, despite the foreign currency translation.

Mr. Hagan said he expects IMED Corp., acquired in June, to be one of the fastest-growing operations in the company. IMED, purchased for a reported $465 million, is in the $1.7 billion pharmaceutical market. Sales at IMED are expected to exceed $100 million in 1982, achieving net after-tax earnings of $20 million, Mr. Hagan told the analysts. He also predicted sales would increase 46% a year through 1985 at IMED because of new instruments and entry into the general care areas of hospitals.

In 1981, the Warner-Lambert's "strategic plan" included the divestiture of American Optical's vision care, soft contact lens and industrial product lines; they were sold in the second quarter of 1982. It also included the sale of Warner-Lambert's hospital disposable and surgical dressing product lines, the phaseout of operations at the Long Island City consumer products manufacturing plant and the phaseout of certain low-volume consumer products.

The healthcare business, which accounted for 61% of worldwide sales last year, is composed of two segments: Ethical products and nonprescription products. Ethical products sales increased moderately, benefiting from the introduction and wider acceptance of new pharmaceutical products in domestic markets. These products include Meciomen, an anti-arthritic; Centrax, a minor tranquilizer; Procan SR, an antirhythmic, and ERYC, an antibiotic. Higher revenues from the diagnostic, empty capsule and hospital product lines also contributed to over-all sales growth.

Last December, Warner-Lambert won approval from the Food & Drug Administration to market its Lopid, a prescription medicine for lowering the level of triglycerides in blood. At the time W-L received approval, a company official was quoted as saying, that the drug was a "groundbreaker" and the company's "most significant new product entry." The FDA, in approving Lopid, said it was similar to another cholesterol-lowering drug, which has been the object of some controversy.

In yet another move, Warner-Lambert acquired the worldwide rights to develop and market two experimental anticancer compounds developed by Viratek Inc., a unit of ICN Pharmaceuticals.

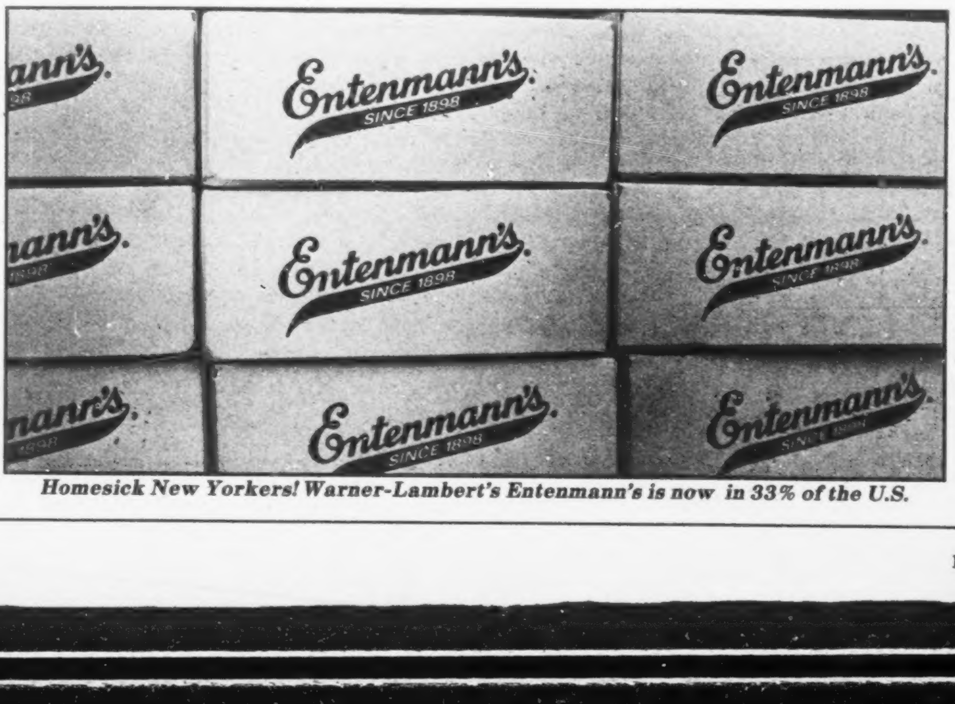
Sales of W-L's nonprescription healthcare products totaled $803 million in 1981, up 5% over 1980. The principal products in this segment are mouthwashes, cough/cold medications, denture products, vitamins, antacids and a pregnancy test for self-diagnosis.

In keeping with the growing trend toward self-medication as a means to control health costs, W-L said it will be emphasizing nonprescription products and is exploring new opportunities in other parts of the world.

The company maintained its leadership position in the $300 million-plus U.S. mouthwash market. Its Listerine and Listermint continue to hold the No. 1 and No. 3 spots, respectively in the category. Procter & Gamble's Scope is the No. 2-selling brand.

Listerine ended the year with slightly higher market share, and plans call for Listermint to be marketed in the U.S. later this year in a new lightweight, shatterproof container for added safety and consumer acceptance.

Listermint has been well accepted in new international markets. A fluoride-containing Listermint, originally marketed in Canada, has performed well in new international markets. In



Homesick New Yorkers! Warner-Lambert's Entenmann's is now in 33% of the U.S.

1981, it was introduced in six additional countries in Asia and Latin America.

Among other nonprescription products, W-L claimed to be the market leader in five major domestic personal healthcare product categories.

These were Sinutab, sinus relief preparations; Efferdent, denture cleanser cleaner tablets; Rolaids, convenience antacid; Halls cough drops, and e.p.t., early pregnancy test for home diagnosis.

Measured media spending in 1981 for the products in these six categories—including Listerine and Listermint—totaled nearly $51 million: Sinutab, $5.78 million; Efferdent, $6.3 million; Rolaids, $11.4 million; Listerine, $11.2 million; Listermint, $7.5 million; Halls, $5.2 million, and e.p.t., $3.2 million.

Sales of Halls cough drops were exceptionally strong in many countries. In the U.S. sales increased by more than 25%. The company attributed the increase in part to the addition of a new ice-blue flavor.

Efferdent accounted for more than 50% of total sales in the category last year. Although the market seemed to stabilize, W-L reported that its e.p.t. in-home early pregnancy test, dramatically increased its leading share of market.

The sale of W-L cough/cold preparations also improved in 1981, aided by the reintroduction of Benylin cough syrup in the large U.S. over-the-counter (otc) market.

The decision by the FDA to permit nonprescription sale of Benylin followed a seven-year battle by the company to substantiate the effectiveness of the product.

W-L scientists developed a novel test protocol to prove that Benylin acts on the cough center of the brain.

In 1979, the agency said it planned to withdraw the drug's new drug application, saying it wasn't effective. That move would have taken it from the market altogether. At the same time the FDA offered to review any new data about the product. Parke-Davis, W-L's pharmaceutical division, conducted the additional tests, which resulted in FDA approval.

Benylin was reintroduced with a $4.8 million ad campaign last October, in time for the 1981-1982 cough/cold season. Initial sales, the company said, exceeded anticipated levels.

Myadec, W-L's leading product in the $330 million vitamin market, reported a steadily increasing market share since the start of tv advertising in 1980.

In the sugarless gum arena, W-L claimed to have regained the No. 1 position with its Trident gum. But those figures apparently are based on warehouse withdrawal figures for the four-week period ended Feb. 6.

Those figures show that Trident held a 10.7% share of the total gum market and Life Savers' Care*Free had 8.8%. But for the 52-week period ending the same date, Trident still trailed Care*Free. The same source shows Care*Free with an 11.7% share and Trident with 10.3%.

Regardless of actual positioning, it is clear that Trident has improved its market share. Sales growth was aided by increased tv advertising. Last year, W-L spent approximately $10.2 million in measured spending to support Trident, more than 50% of which was spent on network tv.

W-L has begun an active campaign to expand Trident marketing in Latin America and Asia, where interest in dental care is rising and gum sales are brisk.

Another W-L gum product, Chewels sugarless liquid-center gum, was reformulated with an improved taste.

This step, the company said, "increased sales dramatically in the U.S."

In the soft bubble gum market, Bubblicious registered strong worldwide growth. Unit sales in the U.S. increased 10%. A fifth bubble gum flavor, watermelon, was added to the Bubblicious line.

Last year, W-L introduced a liquid-center bubble gum in Brazil. Another liquid-center bubble gum, Punch 'N Juicy, entered the U.S. market in the first quarter of 1982.

Measured spending for W-L's six gum products totaled more than $37.9 million. Individual product spending was as follows: Chewels, $7 million; Dentyne, $6.9 million; Bubblicious, $5.7 million; Freshen-Up, $4.7 million; Clorets gum and mints, $3.5 million, and Trident gum, $10.2 million.

In the breath mint category, W-L is placing new emphasis on sugarless mints this year. Two major sugarless products that have been extensively tested for consumer appeal are expected to reach full U.S. distribution during the year.

The first, a new square Trident mint with "unique formulation," is being launched in the U.S. and selected European markets this year following a successful introduction in Canada.

"The product outperformed the competition in consumer tests," the company said.

The second, a sugarless version of Certs, is performing "extremely well" in U.S. test markets, the company said.

In another move, the company plans to expand its limited international business in nutrition-oriented snack foods. The venture, which began several years ago with the acquisition of distribution rights in Canada for Blue Diamond almonds, is now being further developed within Canada through the introduction of a new natural snack product.

That line of bagged snacks—raisins, etc—was introduced into the Midwestern U.S., under the Bountiful brand.

In the baked goods business, Entenmann's, which W-L acquired in late 1978, had sales of $333 million in 1981, a 19% increase from 1980. W-L credited the higher sales to growth throughout its established territories and from expansion into additional areas of the Midwest, Southeast and Northeast in 1981.

A distribution arrangement with another bakery made it possible to introduce Entenmann's products in parts of Maine, allowing the distribution network to reach approximately 33% of the U.S. population.

Entenmann's has also expanded its Snack & Treat merchandising program to the southern parts of the U.S. Snack & Treat displays offer such products as creme-filled cupcakes, Popem's donut snacks and other regional products.

Entenmann's first bread-related product, an English muffin, is being tested in parts of the Northeast.

While Entenmann's is aggressively seeking new markets and products in an effort to build the company's product lines and position, the company has been faced with the chore of denying rumors linking it to the Rev. Sun Myung Moon.

Last year, rumors, which apparently began in Boston, began linking Entenmann's to the "Moonies."

Although the company does not know why it has been linked to the cult, Boston-area delivery men and salespeople have been harassed, and a Rhode Island church proposed a boycott of the products.

In order to stop the rumor from spreading, W-L undertook a public relations campaign and held a press conference at Boston's Ritz-Carlton Hotel. It also sent a mailing to New England retailers and some 1,600 churches detailing the ownership history of Entenmann's.

The company's other products segment, which includes shaving and pet care products, reported sales of $250 million in 1981, down from $252 million in 1980.

Worldwide sales of Schick shaving products increased last year.

In the U.S., the company focused its efforts on its Schick Super II and Personal Touch twin-blade systems. Personal Touch, the leading product in the women's shaving sector, increased its market share and was launched into several new Latin American markets.

In international markets, Schick maintained its leadership position in Japan and increased its market share in Southeast Asia, Peru and Chile. Measured spending for Personal Touch totaled nearly $2 million. Schick Super II received $5.8 million in support.

Growth of the worldwide pet care business was led by U.S. operations, which achieved about a 25% sales increase. The Tetra line of fish foods and aquarium supplies maintained its dominant market share worldwide and strengthened its position in key markets.

In the U.S., Tetra sales benefited from market expansion and the introduction of several new tropical fish foods, including a variety of extruded products for larger fish.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$625,100	$2,828,900
Magazines	9,096,600	5,685,700
Spot tv	29,822,000	21,311,300
Network tv	76,834,200	63,167,100
Spot radio	740,300	156,200
Network radio	6,061,400	4,878,300
Outdoor	70,500	174,500
Total measured	123,250,100	98,202,000
Unmeasured	147,149,900	137,000,000
Estimated total	270,400,000	235,202,000

CORPORATE PERSONNEL

Ward S. Hagan, chairman-ceo
Joseph D. Williams, president-coo
George Hromadko, vice-chairman-chief financial officer

CONSUMER PRODUCTS GROUP

MARKETING PERSONNEL

Melvin R. Goodes, president
Thomas S. Muller, vp-mktg, personal prods
T. G. Schable, vp-sales, personal prods
J.C. Carroll, vp-mktg, American Chicle
Bert Page, vp- sales, American Chicle
William P. Broas, vp, specialty sales

ADVERTISING AGENCIES

Ted Bates & Co., New York—Bubblicious, Halls cough tablets, Halls cough formula, Rolaids, Trident gum, Trident mints, Efferdent, Effergrip— Larry Eptig, exec vp; Mike Townsend, senior vp, mgmtrep; Vic Bloede, vp-acct super; Gail Cerminaro, vp-acct super; Shelley Diamond, acct super.

William Esty Co., New York—Chiclets, Clorets, Freshen-Up gum, Schick shaving systems, Personal Touch ladies shaving system, Listermint—Robert Ballerini, senior vp-mgmt super; Don Byer, vp-acct super; David Matthews, vp-acct super; Gerald Dyson, acct super.

J. Walter Thompson USA, New York—Chewels, Listerine antiseptic, Listerine lozenges, e.p.t., Sinutab, Lubriderm—Jack Morrissey, senior vp, group acct director; Jerry Gotlieb, senior vp, mgmt super; Tom Hanft, vp-mgmt super; Bea Lothrop, vp-acct super; Adele Finaly, vp-acct super; Eileen Layman, vp-acct super.

ENTENMANN'S DIVISION

MARKETING PERSONNEL

Robert Entenmann, chairman
David W. Johnson, president-ceo
F. Seton Stanley, director-mktg and sales

ADVERTISING AGENCY

J. Walter Thompson USA, New York—Jack Morrissey, senior vp, group acct director; Adele Finaly, vp, acct super.

PARKE-DAVIS GROUP

MARKETING PERSONNEL

J.E. Wavle Jr., president
C.J. Cowles, vp-mktg
L.B. Brown, vp-sales
W.L. Dickerson, group prod director
H.F. Oberkfell, group prod director

ADVERTISING AGENCIES

Sudler & Hennessey (medical group), New York—Donald Masterson, senior vp-mgmt super; John Rinaldi, senior vp-acct super; William Butler, vp-acct super; B. Morano, media director.

Sudler & Hennessey (consumer group), New York—Arthur Rosen, exec vp-group director; Hano Fuchs, senior vp-group creative director; Walter Bernd, super; K. Kopas, media director.

J. Walter Thompson USA, New York—Jack Morrissey, senior vp-group acct director; Jerry Gottlieb, senior vp-mgmt super; A. Carter and D. Farrell, acct supers; M. Yervanian, assoc media director.

HEALTH TECHNOLOGIES GROUP

MARKETING PERSONNEL

D.E. O'Neill, president
Kirk Merritt, vp-business plan & devel

DIAGNOSTIC GROUP

MARKETING PERSONNEL

George W. Masters, president
Richard Walsh, vp-mktg intl
Charles R. Crampton, director-sales
C.A. Holzmacher, director-mktg services
Eric Holdtgrefe, director-mktg intl
Robert D. Grissm, vp-genl mgr, Nuclear Med Labs, and vp-North America
William Finelli, adv mgr

ADVERTISING AGENCY

Medical Education Dynamics, Woodbridge, N.J.—Robert Curtis, acct exec.

HOSPITAL PRODUCTS GROUP

MARKETING PERSONNEL

Paul Creager, president
John C. Sifers, vp-mktg, Deseret I.V. and O.R. div

ADVERTISING AGENCY

Tom Ferguson Associates, Parsippany, N.J.—Tom Ferguson, president.

SCIENTIFIC INSTRUMENTS GROUP

MARKETING PERSONNEL

Richard E. Schmidt, president
Patrick E. Dundas, director, mktg & sales scientific instruments
R.S. Stevens III, director-mktg & sales, opthalmic instruments
D.R. Prozeller, director, business plan & devel
Andrew J. Liberty, mgr-adv
John Schempp, mgr-mktg, fiber-optics

ADVERTISING AGENCIES

Faller, Klenk & Quinlan, Getzville, N.Y.—scientific instruments and fiber-optics—Lawlor Quinlan, vp.

Legasse Associates, Walpole, N.H.—ophthalmic inst—David Legasse, president; Jim Young, vp.

Studio Graphics, Worcester, Mass.—ophthalmic inst—Jim Ludy, pres.

INTERNATIONAL OPERATIONS

MARKETING PERSONNEL

C.Y.C. Tse, president
R.P. LeFebvre, president, Europe/Middle East/Africa
S.A. Wilgar, president, Canada/Latin America
G. J. Figueiredo, president, Asia/Australia
S.J. Maugeri, vp-prof prods, mktg devel
D.G. Johnson, vp-consumer prods mrkt devel
J.H. DeMain, vp-pharmaceutical mktg, Europe/Middle East/Africa
J.E. Rutledge, vp-consumer prods. mktg, Europe/Middle East/Africa
E.J. D'Ambrosio, vp-professional prods mktg, Canada/Latin America
Bruce Pope, vp-consumer prods mktg, Canada/Latin America
W.M. McElheny, vp-pharmaceutical prods mktg, Asia/Australia
Alan Shaw, vp-consumer prods mktg, Asia/Australia

WARNER-LAMBERT CANADA

MARKETING PERSONNEL

R. Serenberz, president
A.Z. Pengelly, director corp mktg & communication services

ADAMS BRAND LTD.

MARKETING PERSONNEL

R.W. MacDonald, genl mgr
B.M. Wynn, S. Elmer, A.L. Ferguson, M.J. Bell, group prod mgrs
F.E. Finlayson, vp-sales

ADVERTISING AGENCIES

Ted Bates & Co., Toronto—Certs, Dentyne, Rolaids, Trident gum and mints, Adam's fruit gum, Beeman's Hall's Mentho-Lyptus, Blue Diamond Almonds, Duets—J. McCaul, acct director.

J. Walter Thompson Co., Toronto—Chiclets, Clorets, Freshen-Up—Norman Rigg, acct director.

PRODUCTS DIVISION

MARKETING PERSONNEL

A.R. Soler, mktg mgr
L.J. O'Keefe, director sales
R.W. Eyres, C.G. Clark, group prod mgrs

ADVERTISING AGENCIES

J. Walter Thompson Co., Toronto—Listerine prods, Listermint—Norman Rigg, acct director.

Ted Bates & Co., Toronto—Schick Wet Shave line, Efferdent—W.J. Whitehead, acct director.

PARKE-DAVIS CANADA

MARKETING PERSONNEL

D.M. Seath, genl mgr, personal prods
M.K. Skripitsky, director-mktg
D.G. Pietrobon, group prod mgr
G.G. Gibson, director-sales

ADVERTISING AGENCIES

J. Walter Thompson Co., Toronto—otc prods—Norman Rigg, acct director.

Crombie Advertising Ltd., Toronto—prescription prods—D. Headley, acct director.

KNOW THY COMPETITION

See page 125

LNA

Wm. Wrigley Jr. Co.

	1981	1980
Sales	$607,834,000	$557,632,000
Earnings	28,431,000	30,689,000
Advertising*	63,526,300	51,843,340

*AA estimate

Wm. Wrigley Jr. Co., the nation's 81st largest advertiser, and the nation's largest gum maker, spent an estimated $63.5 million on advertising in 1981, up 23% from 1980. Sales in 1981 were up 9% from 1980, from $557.6 million to $607.8 million in 1981. Sales increases are a direct result of domestic price increases on certain brands and packages during late 1980, as well as increased unit volume and sales of its subsidiary, Amurol Products Co.

Net earnings, on the other hand, were down for the second year from the all-time high of $36.4 million in 1979. Earnings were $28 million in 1981, compared with $30.7 million in 1980, a 7% drop. Earnings in the first three months of this year have dropped again. This drop, according to the company, is a result of high first quarter sales last year following price increases and lower earnings reported by Amurol—which had a record 1980.

Earnings declines of the past two years are a result, according to William Piet, assistant vp-corporate, of the strength of the dollar in relation to foreign currencies in 1981 and the effect of worldwide inflation on the cost of wrapping materials and ingredients, among other things.

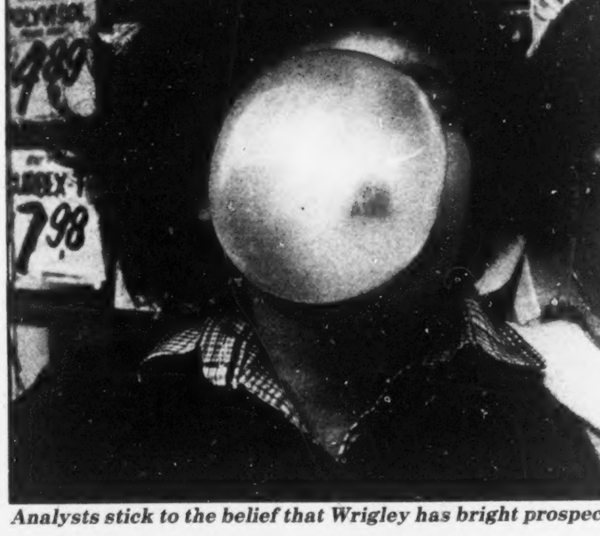
Even with the declining earnings, however, investment analyst Richard G. Elam of Bacon, Whipple & Co., Chicago, reports the outlook for the company is "outstanding"—for a variety of reasons. One, the company is managing its assets more intensively, he said. Two, the company has adopted a method of accounting so that foreign currency gains and losses will no longer be such a big factor on the bottom line earnings figure. Three, the company has started several "productivity programs," including streamlining management and consolidating the somewhat mind-boggling array of gum varieties overseas.

William Wrigley Jr., with $32 in his pocket, moved his original soap business to Chicago from Philadelphia in 1891. In the following year, the business went from soap to baking powder to gum, which was originally used as an incentive item. By 1910, Wrigley's Spearmint gum was the nation's No. 1 brand.

Back in the early 1970s, Wrigley—with its Big Three: Spearmint, Doublemint and Juicy Fruit—had an estimated 60% of the total gum market. Competition, however, mostly from Warner-Lambert Co. (maker of Dentyne, Trident and Freshen-up) and Life Savers (Bubble Yum and Care*Free) helped force that share down to under 35% by the mid-1970s. The drop in market share was also due, according to one industry analyst, to "fossilized management," which kept the price of gum down and allowed no new product introduction until 1974. Now, however, that head-in-the-sand philosophy has been shed.

From 1974 to the present, Wrigley has introduced several new brands, including Freedent, Big Red, Orbit sugar-free gum and Hubba Bubba bubble gum. Freedent, introduced in the U.S. in 1975, was the first new product for the company in 25 years. Formulated especially for denture wearers, the gum, according to an independent survey, has an approximate 8% of the market. Last year, the company discontinued its cinnamon flavor in favor of putting the gum out in the 17-stick Plen T Pak format. Now this brand joins Big Red and the Big Three (Spearmint, Juicy Fruit and Doublemint) in the increasingly popular 15 to 17-stick package, a category that accounts for over 40% of chewing gum checkout sales.

Last year, ad spending for Freedent was up 54%, from 1980's $4.5 million, to $6.9 million, with most of it going to network tv. Big Red, with a current 6% of the total chewing gum market, was introduced in 1976 to compete with W-L's Dentyne. It had disappointing sales until the company repositioned it as a breath freshener. Since the strategy change, the gum has enjoyed an annual sales increase of some 20%. It is now, according to Ronald Cox, vp-marketing, the fastest growing brand of chewing gum on the market today.



Mary Cairns

Analysts stick to the belief that Wrigley has bright prospects.

Ad spending last year reflected confidence in the product, up 40% from 1980's $6.7 million, to $9.4 million.

Not all the brands have been such stars, however. Orbit, Wrigley's effort in the sugar-free gum category, introduced in 1977, never got past third place in its category. After an increase of 137% in ad spending in 1980, up to $4.2 million, last year's measured media spending was only $730,200, an 83% drop.

According to Mr. Cox, the challenge in the future will be in the sugar-free area. Orbit presently sits in the No. 4 position after W-L's Chewels.

Not at all disappointing was last year's performance by Hubba Bubba, a nonstick bubble gum introduced in 1979 as an adversary to the No. 1 bubble gum, Bubble Yum. In 1980, Hubba Bubba struggled with W-L's Bubblicious for second place, but by 1981, with some 25% growth in sales, it had settled into the No. 2 position. But with only a 2% market share between the top three bubble gums, the positions are tenuous.

Of an estimated $1.5 billion in retail dollars in the total gum market, bubble gum makes up some one-third.

Wrigley's initial foray into the liquid-center gum market was not a big hit. Originally, the company entered the category with a liquid-center regular gum called Over Time. That product never got out of the test market stage. However, last year Wrigley's Amurol subsidiary brought out Tidal Wave, "a flash flood of flavor from the very first bite." This one is for kids and its a bubble gum. Ad support for the new product in 1981 was $95,800, mostly in spot tv.

As for Wrigley's Big Three, which account for the majority of the sales growth in 1981, they account for between 50% to 55% of the sugar-based gum market currently, having withstood a direct challenge from Life Savers' Replay. After a year of national distribution, that line has less than 2% of the market, while Wrigley's share has expanded to between 44% and 47%. Replay's attempt to break Wrigley's hold probably cost Orbit some ad support. As one company executive put it, "We had to circle the wagons around the big guys."

Ad spending for the Big Three was up 38% in 1981, from $26.2 million in 1980 to $36.3 million in 1981. Of the three, only Wrigley's Spearmint gained a new ad campaign last year. It's new line is: "Wrigley's Spearmint keeps you humming," introduced this June. The account was moved from NH&S/USA to BBDO for the new effort.

Ad spending for the whole company, combining the Leading National Advertiser six-media figures, was up some 23% from 1980, from $49.7 million to $61 million in 1981.

Amurol Products, Wrigley's subsidiary in bubble gums, sugar-free gums, novelty confections, sugar-free candies and dietetic products, had an excellent 1981, almost doubling its sales. According to the company, this success is largely due to Big League Chew, a shredded bubble gum that added two more flavors, strawberry and grape, to its lineup, and Popeye, a fluorescent, green (spinach) and, like its predecessor, shredded entry.

Big League Chew received ad support for the first time last year, some $809,000 of it spread among network radio, network and spot tv, with spot tv getting the lion's share.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	—	$530,500
Magazines	4,400	611,300
Spot tv	13,662,000	13,516,600
Network tv	42,190,000	34,127,600
Spot radio	1,739,800	879,200
Network radio	5,166,700	1,478,300
Outdoor	14,600	—
Total measured	62,777,500	51,143,500
Unmeasured	748,800	699,840
Total	63,526,300	51,843,340

MARKETING PERSONNEL

Sales

William Wrigley, president, ceo
Ronald O. Cox, vp-mktg
R. Darrell Ewers, group vp-intl
G. Bebee, mktg dir
N. Hoegh-Guldberg, mktg dir
A. Cipollina, genl sales mgr
R.P. Thurlow, genl sales mgr
J.C Barger, southern district
H.W. Colson, east central district
H.J. Conklin, eastern district
H.F. Constant, midwestern district
J.E. Decker, western north district
H.W. Gray, southwestern district
E.L. Kimzey, mid-Atlantic district
L.R. Klein, west central district
J.M. Kroyer, north central district

ADVERTISING PERSONNEL

R.O. Cox, vp-mktg
H.J. Berchert, asst. vp, adv graphics & design

ADVERTISING AGENCIES

BBDO, Chicago—Doublemint, Spearmint, Big Red, Juicy Fruit, Freedent, Orbit—Eric Harkna, president; Andrew Donchak, vp-mgmt super; Walt Waschick, Rick Grant, acct supers.

Needham, Harper & Steers, Chicago—Hubba Bubba, Amurol products, Big League Chew, Tidal Wave—Jim Fasules, mgmt rep; Karen Wagenknecht, acct super; Tom Horne, Elizabeth Brennen, acct supers.

Xerox Corp.

	1981	1980
Sales	$8,691,000,000	$8,196,500,000
Earnings	598,200,000	564,900,000
Advertising*	84,150,000	67,650,000

*AA estimate

Xerox Corp., Stamford, Conn., the country's 64th largest national advertiser, spent $84.2 million on advertising in 1981, or 24% more on worldwide advertising than in 1980. Close to $32 million was registered in measured domestic spending, an increase of nearly $10 million over the year before.

Sales reached $8.69 billion in 1981, a 6% increase over 1980. Earnings in 1981 totaled $598.2 million, or 5.9% higher than in 1980. Xerox's worldwide information processing capabilities and growing competition from the marketplace, particularly in the area of office automation, prompted the corporation to launch a worldwide print and television campaign in 1982. Needham, Harper & Steers, which directed the campaign, used a six-page, two-fold color introductory ad with the theme "How to tell the real Xerox from a Xerox copy." The print ad marked the first time since 1974 that Xerox ads have run in color.

The campaign, divided into two parts, gives Xerox "an opportunity to express specific strengths, which we hope will build the basis for a preference," said Joseph M. Cooper, manager of corporate advertising and promotion. One part of the new campaign underscores Xerox's capability in areas such as technology, breadth of line, service and compatibility of systems. The second part focuses on specific products, or features of those products. Certain of those products, including new additions to the Xerox family, were supported by both print and tv.

Xerox also continued to run its "Brother Dominic" series of commercials in which a monk introduces 20th Century Xerox technology to the medieval setting of a monastery.

From 1981 to 1982, Xerox introduced a steady stream of new products to fill a wide array of needs. Among the debuts was the November, 1981, presentation of Xerox's first automatic electronic office typewriters. The four Xerox Memorywriters, as they're called, are positioned to fulfill the conventional office typewriter role. They also can be added to a number of electronic work stations. The basic model costs $1,430.

This new family of electronic typewriters was joined by a Xerox information processor, the 820, and its June, 1982, second-generation counterpart, the 820-II. Both products are desktop word processors/personal computers and marked Xerox's entry into this burgeoning field. NHS ads stressed the multiuse and multiuser features of the computer. Both can be connected to Ethernet—Xerox's standardized communications network.

To accommodate the instantaneous worldwide communications needs of its prospective clients, Xerox last year introduced two new international facsimile units. The Xerox Telecopier 495 is a high-speed unit that sends and receives a one-page letter in 30 seconds from any point on the globe. The 455, a desktop model, sends its messages at a rate of one minute per page, employing a technique Xerox calls "white line skipping."

One product Xerox introduced in 1981 the "first information processing system for office use by professionals." The Xerox 8010 Personal Information System combines a myriad of activities that include computing, text editing, graphics creation, communications and records-keeping, in addition to being compatible with the Ethernet network. The unit is designed to be used by anyone from engineers and librarians.

Among other Xerox products, two new printers have joined the high speed 9700 commercial use printer, which has been marketed since 1978.

One, the Xerox 8700, a medium-speed printer, enables data processing centers and in-house printing, publishing departments and others to use the new graphics printing system technology. The other was the Xerox 2700, described as a multifont laser printer that serves the needs of small businesses and minicomputers.

Finally, January, 1982,

marked the arrival of a new desktop copier, the Xerox 2830, which can make multiple oversize copies from single originals.

Xerox has become almost synonymous with photocopy to many people. Ironically, it is an area in which the company has been losing ground in terms of market share.

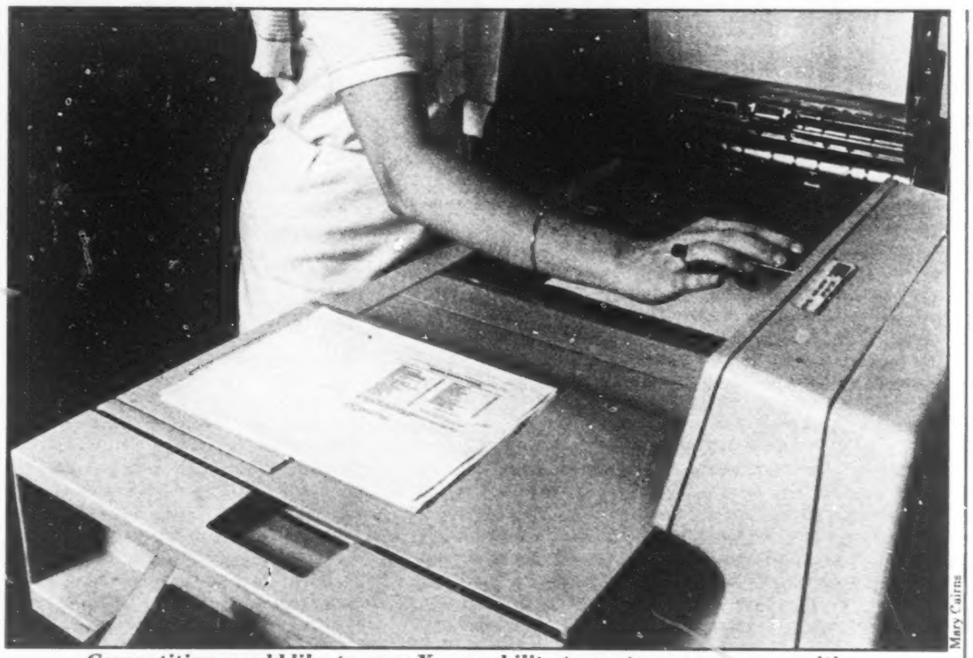
There are still more than 200 billion copies made annually on Xerox equipment, the company said, but growing competition has caused Xerox to reduce copier prices and designate increased market share in this segment as a top corporate priority.

David T. Kearns, recently named chief executive officer, said in the spring that he intends to reverse his corporation's market share erosion in reprographics and increase market share in office systems.

Because Xerox has been running into competition from the Japanese in the smaller duplicator market, two primary areas of emphasis are likely to be Xerox's mid- and upper-range copiers.

To that end, the company is working on technological advances in the mid-volume copier/duplicator market, according to Mr. Kearns.

The 51-year-old Kearns became ceo in May, after having served as president and chief operating officer since 1977. He replaces C. Peter McColough, 60, who will continue as chairman, but who relinquished ceo status in accordance with a company policy that requires senior management to reduce day-to-day involvement.


Mary Cairns

Competition would like to copy Xerox ability to capture name recognition.

One relatively new area of development for Xerox is its retail store operations. The first store opened its doors in the spring of 1980, and the corporation expects to have close to 50 by the end of 1982. The retail operation also extends to Europe, where Rank Xerox Ltd. has opened stores in England and France.

The Xerox store markets a variety of office products. Unlike one of its competitors, International Business Machines Corp., which sells only its own equipment, Xerox carries a wide array of business products from companies such as Apple Computers, Hewlett-Packard, Panasonic and Phone-Mate.

Xerox stores cater to the small business and professional buyer with their assortment of small and midsize copiers, word processors and personal computers.

Xerox's entry into the retail market could be more significant in the future, considering that the business machine market is expected to grow by 15% a year through the end of the decade. This would place sales on an industrywide basis at $5.5 billion, according some estimates.

Other competitors in retail store arena include Tandy Corp.'s Radio Shack; Computerland, an independent chain, and Sears, Roebuck and Co. In order to compete in this congested retail store environment, Xerox tapped Young & Rubicam Special Markets for its U.S. retail store account.

The retail store ad strategy allows local units to focus on their own offerings of office and business products, and the media strategy places heavy emphasis on on newspaper, backed by radio.

ADVERTISING EXPENDITURES

	1981	1980
Newspapers	$5,045,200	$3,102,700
Magazines	10,973,400	6,332,300
Spot tv	1,173,000	860,400
Network tv	11,546,200	11,464,700
Spot radio	1,861,500	158,900
Network radio	1,190,800	—
Outdoor	94,600	—
Total measured	31,884,700	21,919,000
Unmeasured	52,265,300	45,731,000
Estimated total	84,150,000	67,650,000

MARKETING PERSONNEL

William Glavin, group vp-reprographics
John Titsworth, group vp-info prods
Michael Kirby, director-corp adv & promo
Joseph M. Cooper, mgr-corp adv & promo

ADVERTISING AGENCIES

Needham, Harper & Steers, New York—copiers/duplicators, electronic printers, professional work stations, information processors, personal computers, facsimile transceivers, local area networking (Ethernet), computer services, Diablo printers—J. Davies Maddox, senior vp-group mgmt super, Sam Hershfield, senior vp-mgmt super, all products; Laurence Reynolds, acct super; Erica Mann, acct super; Steve Farricker, acct super; Susan Spohn, acct exec; Dick Belding, acct exec; Michael Glavin, acct exec; Tom Hook, acct exec.

Young & Rubicam Special Markets, New York—retail store operations—Robert Graham, senior vp-director of mktg/client services; Walter T. Darragh, vp-client services, acct super.

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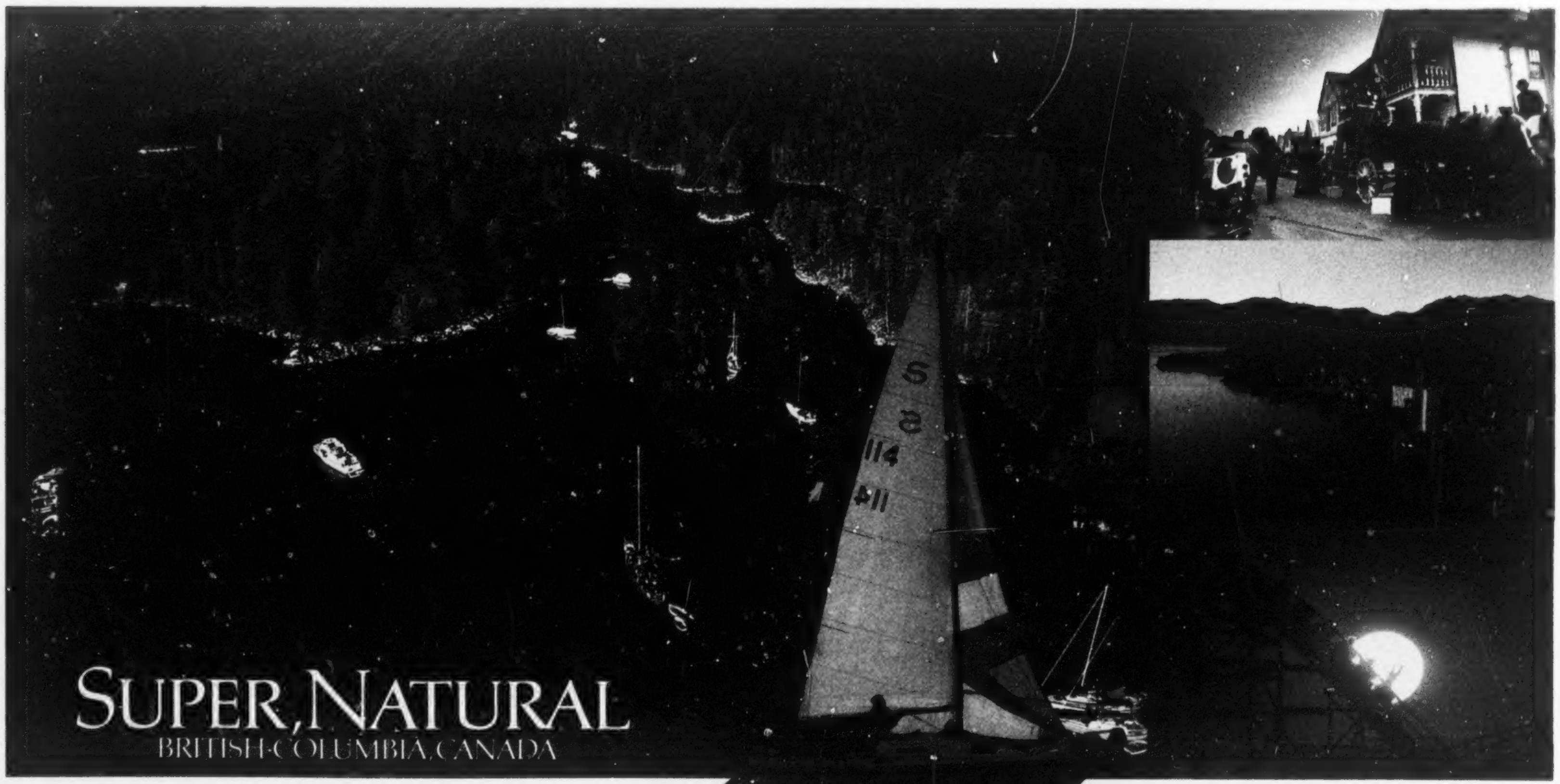

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100 Leaders

(Continued from Page 1)

well mean that troubled brewer will drop off the 100 list, though Stroh itself could make an entry onto the list.

Meanwhile, as cable television becomes a stronger and more deeply entrenched advertising vehicle, more of the 100 Leaders are likely to turn a significant share of their advertising dollars to that medium.

Several of the 100 Leaders have already done so, including Bristol-Myers Co., Campbell Soup Co., Eastman Kodak, Procter & Gamble and Anheuser-Busch. They have made commitments to cable ranging from experimenting with simple spot commercials to program sponsorship to program production.

Several of these companies have expressed interest in expanding their involvement in cable, and more are sure to join in coming years.

Unfortunately, there is not yet a reliable system for measuring cable tv advertising spending, and cable tv hasn't yet become a "measured medium" in our report. It is our hope, however, that by next year's issue we will be able to add cable to our measured media list to bring the total to nine media we regularly track.

A few observations about this year's list: There are no discernible trends as to the types of companies that increased or reduced their ad budgets for 1981. A total of 23 of the 100 Leading National Advertisers increased spending by more than 20% this year; 13 companies cut their spending.

Both Eastern Airlines and International Telephone & Telegraph maintained 1980 ad spending rates. Of the top 25 advertisers, only Ralston Purina Co. trimmed its ad budget, down to $193 million from $207 million in 1980.

Twelve other companies cut back their ad spending: Seagram Co. Ltd., Quaker Oats Co., American Brands, Miles Laboratories, American Motors, Mars Inc., MCA Inc., Jos. Schlitz Brewing Co., Morton-Norwich Products, Borden Inc., Noxell Corp. and American Broadcasting Cos.

One product category that received considerable advertising attention in 1981 is videogames.

The interest in videogames has grown in 1982 and will surely see further expansion in 1983. It is estimated that ad spending for the games could exceed $100 million in the fourth quarter this year.

Columbia Pictures Industries, Mattel Inc., North American Philips Corp. and Warner Communications, among others, have active videogame units.

These companies undoubtedly will pour more ad dollars behind promotion of the flashing lights and blips and bops in the future.

The top 10 largest advertisers welcome two new companies in this year's report, Nabisco Brands and Mobil Corp. Nabisco, whose advertising rose sharply as a result of its merger with Standard Brands in 1980, is ranked No. 7; last year Nabisco Inc. was No. 51 and Standard Brands was No. 98. Mobil moved from No. 18 to No. 10 after raising its ad spending by 7.2% to $293 million.

General Motors and K mart traded places—GM is No. 5 and K mart is No. 6. R.J. Reynolds dropped from No. 7 to No. 8, and AT&T held on to the No. 9 position.

At P&G, the company many watch for suggestions of consumer ad trends, tv spending increased by 6%, but all of that increase went to network, up 9%; spot was cut by 6%. Also cut were spending in magazines and radio. Some of this money is being funneled into cable. P&G is Cable News Network's largest sponsor, and it is also sponsoring a program on Continental Broadcasting Network.

Among P&G's most heavily promoted products in 1981 were laundry products, for which the company spent $115 million; others included seven soap products, which received $45 million, and the top-selling toothpaste in the U.S., Crest, which received $45.5 million in 1981, a 59% increase over 1980 support for the brand.

Other heavily supported products included Barclay cigarets, which parent company B.A.T. Industries introduced in January, 1981 with a budget of $150 million. General Foods, which traditionally puts its heaviest support behind individual coffee brands, spent measured support to the tune of $21 million on Maxwell House coffees. More than $18 million went to new Master Blend, and Sanka received $17.3 million.

There are six new companies in this year's Leaders issue: Canon U.S.A., Exxon Corp., International Business Machines , North American Philips Corp., Hiram Walker Resources Ltd. and Xerox Corp.

Because of the merger of Nabisco and Standard Brands, only five companies actually dropped from the list: Carnation Co., Mazda Motors of America, A.H. Robins Co., Squibb Corp. and Levi Strauss & Co.

The more you learn, the more you should reexamine your own convictions.
Uniquely qualified to bring you the world.
ABC NEWS

Frank Reynolds "There usually is more to a story than is immediately visible on the surface. And it's very important to try to understand the full dimensions of it. Not to question people's motivations, but to understand their motivations."

ABC News helps you understand. That's why *The San Francisco Chronicle* described Frank Reynolds and the people at ABC News as "... the brightest newsgathering outfit on the air."

WORLD NEWS TONIGHT • NIGHTLINE • THIS WEEK WITH DAVID BRINKLEY • CLOSEUP • GOOD MORNING AMERICA NEWS • NEWS BRIEF • ABC NEWS WEEKEND REPORTS

ABC: Driving to challenge CBS, the over-all leader in national news viewership.

Summary of Leaders' spending by category

1981

Category	Leaders in $	%	Total
Newspapers	$932.4 million	36.5	$2.56 billion
Magazines	$1.61 billion	50.0	$3.22 billion
Network tv	$4.29 billion	76.7	$5.60 billion
Spot tv	$1.81 billion	43.0	$4.22 billion
Farm publications	$26.4 million	14.4	$183.0 million
Network radio	$137.7 million	61.3	$224.7 million
Spot radio	$405.6 million	45.3	$896.0 million
Outdoor	$235.1 million	66.0	$355.9 million
All categories (8)	$9.45 billion	54.8	$17.25 billion

1980

Category	Leaders in $	%	Total
Newspapers	$758.8 million	34.7	$2.18 million
Magazines	$1.36 billion	47.8	$2.85 billion
Network tv	$3.90 billion	75.7	$5.15 billion
Spot tv	$1.73 billion	44.1	$3.91 billion
Farm publications	$24.1 million	14.9	$161.5 million
Network radio	$109.7 million	57.4	$190.9 million
Spot radio	$361.7 million	47.2	$764.9 million
Outdoor	$201.7 million	65.2	$309.5 million
All categories (8)	$8.44 billion	54.4	$15.52 billion

Sources: LNA, PIB, BAR, Radio Expenditure Reports, IOA, RAB, AGRICOM, Media Records

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C2710-1 9/14/82

Advertising Age

Daughters of Ms. See Magazine

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$1.25 a copy; $50 a year · The International Newspaper of Marketing • In Two Sections, Section 1. · September 13, 1982

Christmas sales outlook—'tis the season to be wary

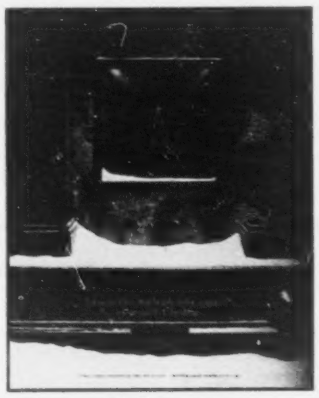
With this report, Advertising Age begins its coverage of the coming Christmas selling season, a key period for marketers and one filled with uncertainty because of the state of the nation's economy. Senior reporter Pat Sloan wrote this retailer forecast, with reports from all AA domestic bureaus.

Although the financial community expects consumer spending to pick up in October, most major retailers are not so optimistic, owing to their inability to discern anything—anywhere in the nation—that would indicate an imminent rebound in consumer confidence.

While Wall Street is betting on the July tax cut, coupled with a continued decline in interest rates and an active stock market, to shake the consumer out of his malaise, retailers may still be hard put to benefit from any potential windfall.

Fearful of being stuck with excess inventories, stores are being chary with their open-to-buy, ordering later and less than they did last year at this time. Both stock and projections have been cut by as much as 25% to 30% at many stores. And if stores are reluctant to write orders, neither are manufacturers eager to over-produce now in hopes that a month down the road increased consumer spending will send retailers scurrying back to the market with pencils and order forms in hand.

Says one New York retailing executive who, because of his extreme pessimism, asked not to be identified: "It's going to be tough. No one has made plans. We're all barely making last year's figures. And when you add in inflation, it's worse."



Johnnie Walker scotch may throw economic caution to the wind in its Christmas advertising, but can retailers afford to?

This sentiment, with slight variations, is being echoed in all areas of the country where particular economic problems are having a significant impact.

In Texas, for example, where retailers are feeling the effect of Mexico's currency devaluation, "August is when we fell out of bed," says Robert Sakowitz, chairman of the Houston-based specialty stores bearing his name. "Our sales were up double-digit from last year until Aug. 1. Then sales went soft because of the peso."

Mr. Sakowitz, however, says he is confident Christmas sales will be up. Sakowitz plans to put added dollars into advertising with a series of "strong, point-of-view" ads as well as fashion promotions.

Marshall Field & Co.'s Houston operation also has suffered from the peso decline. "We are down 5% against plan here," says Sandy Sacks, exec vp-southern region. "There's enough of a negative trend among retailers to indicate a tough Christmas, but you've got

(Continued on Page 74)

Comparative bid vs. Big Mac

Burger King's 'challenge' set for heavy drive

By RICHARD KREISMAN and CHRISTY MARSHALL

Desperate to resuscitate its growth momentum, Burger King Corp. is hitching its company fortunes to a massive comparative marketing campaign, replete with "Pepsi challenge"-style taste-test research, that takes on both industry-leader McDonald's and Wendy's International. Both advertising and in-store promotion will trumpet the findings of the tests.

The Miami-based chain is launching the drive the week of Sept. 27, at the start of the new tv season, with commercials claiming that in coast-to-coast taste tests, "Whopper beats Big Mac."

In Burger King stores, crews will be donning caps with the same message, and asking customers such questions as, "Did you know more people preferred charcoal-broiled hamburgers to fried?" and, "Did you know the Whopper beat Big Mac in coast-to-coast taste tests?"

The drive is closely patterned after the successful Pepsi campaign, and Burger King reportedly consulted with the indepedent research teams that worked on that trend-setting effort. Like soft-drink companies, fast-food marketers are dealing with a slow-growth industry, where market share gains are the driving force behind any expansion.

Burger King, which catapulted into the No. 2 position in the mid-'70s, has stumbled in the past two years in new unit expansion and new products. Earlier in the year, rumors (denied) circulated that parent Pillsbury Co. was looking to sell the chain.

According to a company memo,

Bic Pen drops its comparative campaign. . .Page 2.

Burger King is hoping the campaign will reinforce what it believes to be McDonald's quality-image problems and capitalize on its own status as a preferred choice for quality and taste. The tv push will be directed at adults and singles, the market segment where No. 3 Wendy's has made of late.

The chain reportedly is concerned about possible legal actions stemming from the campaign, and has "gone to great lengths" to avoid them, one large franchisee said. One competitor, aware of the campaign, but not the copy specifics, said he had heard the chain was "having clearance problems with

(Continued on Page 74)

Gorog seen as new MPA chief

By STUART J. ELLIOTT

New York—An investment banker and economic policymaker in the administration of former President Gerald Ford is expected to be named president of the Magazine Publishers Assn.

Advertising Age has learned that William F. Gorog of McLean, Va., is the unanimous choice of the five-member search committee that since February has been seeking a successor to Kent Rhodes.

When contacted last week, Mr. Gorog declined comment on his selection. "I feel that it just is a little premature," he said.

In a letter to the 36 persons on the MPA's board of directors, George Green, the association's chairman and a member of the committee, said: "I support his candidacy without reservation." The board is scheduled to vote on Mr. Gorog's nomination at a special meeting Sept. 14.

"It's a *fait accompli*," said one board member of the likelihood the

(Continued on Page 73)

NEWSPAPER

AA
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WASHINGTON DC 20014

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- James Agnew returns to advertising, as new head of JWT/West. . .*Page 2.*
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- Chrysler changes its strategy for its 1983-model car introductions. . .*Page 4.*
- The Valley girls: Can the "gum-chewing airheads" image be refined? . . .*Page 16.*

last minute news

Diet Coke market expands; 9 stars in new spot

Atlanta—Coca-Cola USA is expanding Diet Coke into Rochester, Denver, Seattle, San Diego and Jacksonville, Fla. A new spot using nine celebrities—Bob Hope, Joe Namath, Telly Savalas, Carol Channing, Ben Vereen, Glenn Ford, Susan Anton, Sally Kellerman and Robert Vaughn—has been added to the pool of spots. The commercial by SSC&B features Diet Coke's premiere that was held at New York's Radio City Music Hall in July. Coke and SSC&B execs also denied a published report that Tom Selleck had signed a $2 million contract to be Diet Coke's spokesman.

Ford, Chevrolet spots urge buyers to take a look

Detroit—Both Ford and Chevrolet will imply in their new fall advertising campaigns that they've been overlooked by new car buyers. Chevy's theme is: "USA-1 is taking charge." Copy says consumers will find technology and quality "in places you may not have checked lately." The Ford division theme is: "Have you driven a Ford. . lately?" JWT, Dearborn, Mich., is Ford's agency. C-E, Warren, Mich., handles Chevy.

'USA Today' announces 18 charter advertisers

Washington—With daily publishing to start Sept. 15, Gannett's *USA Today* increased its list of named charter advertisers last week from nine to 18. Execs at the paper predicted the 40-page debut issue will have 12½ pages of advertising when it appears in Washington, Baltimore and nearby markets, but still were uncertain late Friday which advertisers would be in the inaugural edition. Fourteen ad pages per 40-page issue is the maximum allowed under the paper's low-clutter format. The named advertisers are: Brown & Williamson, Philip Morris, Glenmore Distil-

(Continued on Page 8)

Agency plans full-service Dallas office

Ex-McCann chief Agnew back as JWT/West head

By JENNIFER PENDLETON

LOS ANGELES—James K. Agnew, former president of McCann-Erickson, New York, and a longtime J. Walter Thompson Co. veteran, will rejoin JWT on Oct. 1 as exec vp and head of JWT/West, based here.

Mr. Agnew's appointment is seen as a first step in the agency's long-range plans to build its admittedly underdeveloped western operations, a goal that will include the conversion of JWT's Dallas service office to full-fledged agency status, operating as an arm of JWT/West. JWT/West currently has billings of about $100 million.

■ JWT executives declined to be specific about when the Dallas office will convert to a full-service agency, but said it would be likely to take place this fall.

Mr. Agnew, 43, who also will be a member of the board of directors of JWT/USA, rejoins the agency after two years as a partner in charge of marketing and strategic planning at Maguire Partners, a Los Angeles-based commercial real estate developer.

Before that, Mr. Agnew spent eight years with McCann, finally as president-chief executive officer in New York from 1979 until his departure in July, 1981. Before that, Mr. Agnew was exec vp and general manager of McCann's Los Angeles office. He had been with JWT from 1962 to 1973, with assignments in New York and Paris.

Mr. Agnew succeeds Frank Maniero, who is leaving Sept. 17 to join Activision, Mountain View, Cal., as vp-marketing.

Mr. Agnew, JWT chairman-ceo Burt Manning and president-chief operating officer Walter J. O'Brien outlined agency goals for the western division in an interview here.

Describing JWT/West as offering perhaps the greatest chance for growth of any other unit in JWT's system, Mr. Manning said the agency intends to build the operations significantly, placing special emphasis on Los Angeles, which currently has one-fourth the business of JWT's San Francisco office. JWT's Los Angeles office currently has billings of $25 million.

■ Mr. Manning and Mr. Agnew said there are no plans for dramatic personnel changes at either the San Francisco or Los Angeles offices, but the agency will be evaluating staff and likely will add personnel to fill talent gaps.

Next spring, JWT will name a new general manager of the San Francisco office to replace Ram Ruy, current deputy manager, who will return to manage JWT's Calcutta office at that time. Dick Macedo, who has been general manager of the Los Angeles office, will continue in that post.#

Paley gives up CBS baton

NEW YORK—William Paley, who broke into broadcasting first as a radio sponsor (via his father's La Palina cigars) and later as a broadcaster, has been a tough man to work for and a tough act to follow—especially since he has not been ready to be followed until now.

But it's official, the Paley era at CBS Inc.—its only era—draws to an end next April. Thomas Wyman then formally adds the CBS chairmanship to his current titles of president and chief executive officer.

The big guessing game in media, advertising and financial circles—one that has been played in earnest since it was disclosed that Mr. Paley was planning to move on (AA, Aug. 30)—centers on how major the changes in CBS' directions will be under the new captain.

Most industry sources expect some changes by Mr. Wyman, if for no other reason than that every chief executive wants to make his mark. But for now, at least, CBS said there are no other title or position changes in the works.

Mr. Paley, nearly 81, last week told the CBS board meeting that he has "complete confidence" in his handpicked successor as he turns over the reins to the company he founded and in 54 years turned into a $4.1 billion giant. The ex-Pillsbury and Polaroid executive apparently won over Mr. Paley since joining CBS in 1980 with his strong yet people-sen-

(Continued on Page 78)

John McEnroe will charge for the Bic disposable shaver this fall.

Bic changes courts, turns to McEnroe

By PAT SLOAN

Apparently bested by Gillette Co. in a dispute over a comparative tv commercial for its disposable shaver, Bic Corp. is serving up a new campaign that avoids comparisons and relies instead on tennis ace John McEnroe.

Both ABC and NBC were reported to have pulled a Bic commercial that pitted the Bic disposable shaver against Gillette's Trac II, following the initiation of a challenge procedure by Gillette (AA, May 24). The spots in question, created by Bic agency Wells, Rich, Greene, magnified beard hairs 110 times eight hours after shaving and prompted the Bic claim that there was no difference in the shave of a twin-blade Gillette Trac II and a single-blade Bic, but a big difference in price.

Gillette charged the commercials were "false and deceptive," and, in the meantime, continued running its own comparative spots that touted the twin blade as "a closer, smoother and safer shave than Bic."

Whether Gillette's move was offensive or defensive is disputed within the $700 million market, but in any event it appears to have forced Bic's hand. The new McEnroe spots are the first major campaign for Bic since the comparative effort and, sources say, are indeed its replacement. Bic executives would not confirm this, nor would they comment on the legal fate of the previous spots.

■ Bic is not a novice when it comes to using sports celebrities as endorsers. Two years ago, the company hired football and soccer stars for a "10 tough guys" commercial in which the same Bic shaver tackled their beards with success. With Mr. McEnroe, Bic will also take advantage of a tough guy image. The 30-second commercial shows the tennis star arguing with an umpire who says, "Mr. McEnroe, that's a very close shave." Mr. McEnroe verbally volleys back, "You must be joking! That ball was in," before the ump replies that he was referring to his face, not his serve. "Of course," Mr. McEnroe says, "I shave with Bic."

The commercials do retain a focus on the economy of shaving with Bic, with an oblique reference to the competition. "Why pay more for fancy handles and tricky tops when I get lots of close shaves with Bic," Mr. McEnroe asks.

In addition to tv, the campaign later will include print ads and p.o.p materials featuring Mr. McEnroe.#

highlights

Monday September 13, 1982

Sparked by strong consumer response, Pabst is aiming for national expansion of Jacob Best Premium Light, while Miller is rehoning the test program of its superpremium Special Reserve. *See Page 10.*

FDA has asked Pfizer Inc. to defend comparative claims in ads for its new heart drug, Procardia. *See Page 12.*

American Tourister and Samsonite are squaring off in the battle for soft-sided luggage sales. *See Page 22.*

The only way for U.S. truck marketers to enter Western Europe and the Far East may be through merger, acquisition or joint venture, an executive declares. *See Page 32.*

With radio's prime audience of teen agers and young adults shrinking and the number of competing new technologies increasing, the oldest electronic medium is in need of some new tricks. *See Page 33.*

Borrowing tactics from tv, comics book publishers have stepped up their adaptation of such tv concepts as miniseries, spinoffs and cross-promotional stunts. *See Page 34.*

In ad agency relationships, Hollywood proves to be the exception to many advertising industry conventions. *See Page 36.*

John Malmo Advertising has been cited for its adaptive use of a 140-year-old building it restored and occupies in downtown Memphis. *See Page 41.*

Bert Berdis of Dick & Bert fame is going back to being more of a writer than a voice man now that he has split from his former partner and joined Barzman & Co. *See Page 48.*

CORPORATE CLOSEUP

Once freed from its agreement with Chrysler barring it from direct selling, Mitsubishi Motors had to develop marketing and distribution plans without knowing how large its sales would be. *See Page 4.*

INTERNATIONAL

Harrod's, the famous British retailer, aims to broaden its base by introducing its mail-order catalog in New York this fall, and plans to open a store-within-a-store with a U.S. retailer next year. *See Page 38.*

Kentucky Fried Chicken is bringing U.S.-style drive-in restaurants to the U.K. and will be putting a large part of [illegible]s expansion into new sites at [illegible]e edge of town. *See Page 39.*

VIDEOTECH

After months of speculation, the British government has taken the wraps off its plans for cable tv, although it has not decided yet whether to allow advertising on the new medium. *See Page 50.*

In the black after a year in business, Reeves Cable Productions is eyeing pay tv as its next marketplace. *See Page 51.*

The old "Lone Ranger" tv series is riding high in tv syndication, and the ratings show its largest audience is adults. *See Page 52.*

Marquest Cable Ratings is testing its ratings system in Buffalo and will roll out its first survey in the fall. *See Page 52.*

MAGAZINE

Ms. magazine made history 10 years ago, and trained a cadre of women who have gone on to management roles in a male-dominated industry. *Page M-2.*

Network tv's romance with the advertising industry needs new life and a plan for the future, says Alec Gerster in Media Commentary. *Page M-19.*

SPECIAL REPORT

Radio sells itself big to the ad community with an eye on regaining some of its popularity with advertisers from the primary medium, tv. *Page M-5.*

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Sports top newspaper ad spending

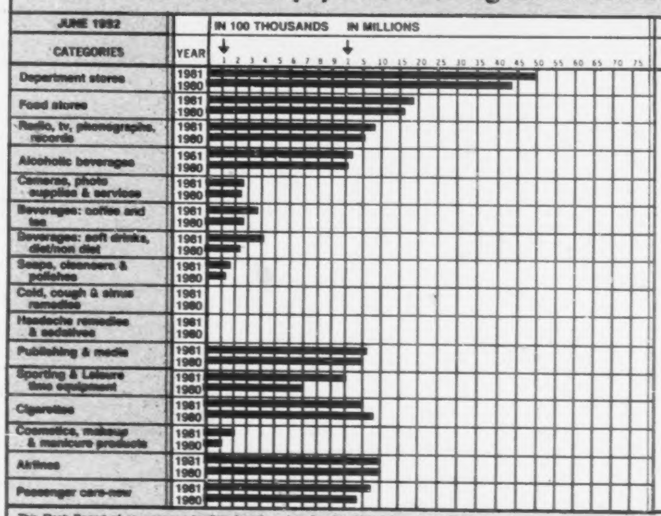
New York—Newspaper advertising spending for sporting and leisure time equipment showed the largest gain in June, increasing 160% to $1.9 million, according to figures compiled by Media Records Inc. for Advertising Age.

Other categories showing significant increases during the month of June were cosmetics, up 105% to $241,000; soft drink beverages, up 75% to $439,000; new passenger cars, up 74% to $8.7 million, and alcoholic beverages, up 37% to $2.8 million.

Over-all, 12 of the 16 categories tracked by Media Records recorded spending gains in June, with the only significant decrease shown by cigarets, down 36% to $5.8 million. Airline spending decreased 1% to $10.2 million for the month, while cold and headache remedies both remained out of newspapers during June.

This Flash Report of newspaper advertiser investment is derived from tabulations that cover 33 dailies and 25 Sunday editions in 14 cities: Atlanta, Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Los Angeles, Miami, New York, Philadelphia, Pittsburgh, San Francisco and Washington.#

FLASH REPORT: Newspaper advertising investment for June



JUNE 1982 CATEGORIES	DOLLARS 1982	DOLLARS 1981	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Department stores	$50,676,194	$44,004,252	+6,671,942	+ 15.2
Food stores	18,922,533	17,007,406	+1,915,127	+ 11.3
Radio, tv, phonographs, records	8,219,853	6,395,486	+1,824,367	+ 28.5
Alcoholic beverages	2,850,567	2,087,153	+ 763,414	+ 36.6
Cameras, photo supplies & services	281,279	278,390	+ 2,889	+ 1.0
Beverages: coffee and tea	383,218	290,141	+ 93,077	+ 32.1
Beverages: soft drinks, diet/non diet	438,552	250,529	+ 188,023	+ 75.1
Soaps, cleansers & polishes	171,118	142,328	+ 28,790	+ 20.2
Cold, cough & sinus remedies	0	0	0	0
Headache remedies & sedatives	0	0	0	0
Publishing & media	6,442,840	6,175,317	+ 267,523	+ 4.3
Sporting & Leisure time equipment	1,834,024	718,590	+1,145,434	+159.4
Cigarettes	5,824,208	9,171,123	−3,346,915	− 36.5
Cosmetics, makeup & manicure products	241,140	117,414	+ 123,726	+105.4
Airlines	10,175,367	10,262,953	− 87,586	− 0.9
Passenger cars-new	8,664,983	4,976,813	+3,688,170	+ 74.1

This Flash Report of newspaper advertiser investment, compiled for Advertising Age by Media Records, is derived from tabulations that cover 33 dailies and 25 Sunday editions in 14 cities: Atlanta, Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Los Angeles, Miami, New York, Philadelphia, Pittsburgh, San Francisco and Washington. The *Washington Star* ceased publication Aug. 7, 1981, and so, for comparability, has been excluded from this report.#

Source: Media Records Inc.

Berdis takes pen in hand

By MORRIE GELMAN

Hollywood—Bert Berdis of Dick & Bert fame, after 10 years, is going back to being more of a writing man than a voice man. Now that he's split with his partner Dick Orkin and joined Barzman & Co. here (AA, July 19), the pen is going to be mightier than the vocal cords.

The surprising split of one of radio's most celebrated and honored commercials production teams apparently had a lot to do with a desire to do new tricks, from the Bert side of the equation at least.

Mr. Berdis is not abandoning the voice that helped launch dozens of zany and memorable radio campaigns, but the opportunity to write for a great many different voices, in part, led him to a competing radio commercial production shop as a partner and creative associate with Alan Barzman and Jim Kirby.

This was a great part of the lure, Mr. Berdis confirmed in an interview, that took him to Barzman & Co., which might change its name to reflect the addition of a prominent partner. Already, letterheads at the company that read Barzman & Co. are stamped with the notation, "Now With Bert."

Mr. Orkin, who continues with Dick Orkin Creative Services, earlier indicated he intends to remain in the commercials production business.

"After 10 years of writing spots for Dick & Bert, which was basically two-man stuff," Mr. Berdis explained, "I had certainly written about all the permutations and combinations I could write. It seemed to me we were just duplicating our efforts."

He pointed out, too, that Mr. Barzman knows "everybody" in Hollywood and has a "penchant" for getting talent not normally associated with voice work to do voices. Mr. Berdis cited the opportunity to write for the voices of Alice Ghostley, Tom Bosley and Artie Johnson, among other performers, as an important advantage in his new situation.

While Mr. Berdis affirmed he likes voice work, he thinks of himself as a writer and "agency guy, first," referring to his previous career as a creative director and copywriter at such ad agencies as Grey; McCann-Erickson; Ketchum, and NH&S. "It was just tiresome to do the Dick & Bert stuff" after a time, he acknowledged, but quickly added that "Dick is one of the all-time great radio voices that ever happened," but after 10 years "you just find yourself wearing out." Mr. Berdis likes the idea of writing for a variety of voices and also doing other things such as writing for tv, doing vignettes or writing for groups of people or for female voices, and using music more. He conceded he could have pursued all of these possibilities while at Dick & Bert, but, he claimed, the opportunities were "very, very limited."

Now that he is on board at Barzman, Mr. Berdis is out to give the company a higher profile nationally. Barzman & Co., he said, while established on the West Coast, is less widely recognized in the Midwest and certainly not in New York. One of the new partner's priorities was to take his act on the road to Chicago, Detroit and New York City "and tell my friends in the ad agencies, 'Look, this is what I'm doing now.' "

Mr. Berdis says his split with Mr. Orkin amounted mostly to a way of "rejuvenating each other's juices."#

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